

Application for Financial Advisory Listing/Advertising on The White Coat Investor Website

Personal and Firm Information

Your Name: Michael Caligiuri-de Jesus

Name of Firm: Caligiuri Financial

Insert link to your website: <https://caligiurifinancial.com>

Insert link to your ADV2:

https://www.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=602088

Which services do you provide:

Financial Planning

Investment Management

Both

Other services (please list):

Years of financial experience: **7 years**

Years of experience with financial planning or investment management for individuals: **7 years**

Years your firm been in business: **Just under 2 years (founded in April 2018).**

Which of the following designations do you hold (Check all that apply):

CFA

CFP -

ChFC

CLU

CPA

PFS

EA -

MBA

BS or MS in finance related field - - I received a Bachelor in Business in Administration (B.B.A) from the University of Michigan's Ross School of Business, which included finance courses relating to portfolio theory. I'm not sure if this "counts," but I thought I would include it just in case!

Other (please list):

Have you had any events in the past that are reportable to regulatory agencies? If so, please attach explanation. **No.**

Have any of your former clients sued you? What was the outcome? Please attach explanation. **No.**

Are you currently involved in a lawsuit by a client or former client? Please attach explanation. **No**

Fee Structure

How do you get paid (check all that apply):

Commissions on investment products

Commissions on insurance products

Hourly rate

Annual retainer

Flat fee for financial plan

AUM Fee

Other (Please list): **For clients with less than \$200,000 in assets under management, I charge \$175 per month.**

How much do you charge? Please list your fee structure. If there is a range of possible fees readers can expect to pay, what is the range and what determines where in the range they would fall. If you use AUM fees, be sure to list what a reader would pay with \$100K, \$500K, \$1M, and \$2M in assets.

Below is directly from my Form ADV 2A. This very clearly (although at great length!) describes my fee structure. Please excuse me if you wanted a shorter version of this; however, this is comprehensive.

Our standard advisory fee is based on the market value of the assets under management and is calculated as follows:

Account Value	Annual Advisory Fee
\$0 - \$2,000,000	1.00%
\$2,000,001 - \$4,000,000	0.90%
All amounts thereafter	0.80%

The annual fees are negotiable, pro-rated, calculated using an average daily account balance, and are paid quarterly-in arrears. The advisory fee is based on a flat percentage fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above table. For example, an account valued in the \$0-\$2,000,000 range would pay a flat annual percentage fee of 1.00% on all assets. An account valued in the \$2,000,001-\$4,000,000 range would pay a flat annual fee of 0.90% on all assets. An account valued at over \$4,000,000 would pay a flat annual fee of 0.80% on all assets. The quarterly bill to a client will be based on one fourth ($\frac{1}{4}$) of the annual percentage fee. In cases where we are unable to obtain account values for held-away assets due to circumstances outside of our control, the last known end-of-day account value will be used for billing purposes.

A quarterly audit will be performed to assess whether a client's total account value should place the client into a different flat percentage fee tier as shown in the above table. A client's fee tier will not be changed until the quarterly audit is performed. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement. The fee structure outlined above will be used for all assets under management including assets managed at Betterment Securities, T.D. Ameritrade, and Jefferson National (also known as Nationwide Advisory Solutions).

Advisory fees are directly debited from client accounts, or the client may choose to pay by check or Electronic Funds Transfer (EFT) via a bank account or credit card. Caligiuri Financial does not maintain clients credit card or bank information. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee based on the amount of time remaining in the billing period. An account may be terminated with any time with written notice by either party. Upon termination of any account, the fees will be prorated and any unearned fee will be refunded to the client.

Use of Outside Managers: When an outside manager is used, their fees are in addition our annual advisory fee disclosed above. When using Betterment For Advisors (see Item 12), as an outside manager, All fees are billed in arrears, on a quarterly basis. The above fee schedule does not include the outside managers fees. Their fee will be disclosed in their ADV Part 2A and will be reviewed with the client prior to entering into the agreement. The Outside Manager will debit the client's account for both the Outside Manager's fee, and Caligiuri Financial's advisory fee, and will remit Caligiuri Financial's fee to Caligiuri Financial.

Total fees collected by Caligiuri Financial and third party advisers will not exceed 3% of assets under management per year. Betterment for Advisors and Robust Wealth's are two outside managers that may be used. Their management fee is 0.20%, which is in addition to the fee schedule disclosed above

Comprehensive Financial Plan Fee

The fee for a Comprehensive Financial Plan is \$600. The fixed fee will be agreed upon before the start of any work and may be waived or reduced in certain cases at the discretion of the adviser. If a fixed fee program is chosen, half of the fee is due at the beginning of the process and the remainder is due at the completion of work, however, Caligiuri Financial will not bill an amount above \$600.00 more than 6 months in advance. Fees for this service may be paid by electronic funds transfer or check. In the event of early termination, any prepaid but unearned fee will be refunded to the client and if applicable, the client will be billed for any earned but unpaid fees.

Ongoing Comprehensive Financial Planning

For clients with less than \$200,000 in assets under management, they will pay an ongoing fee that is paid monthly, in advance, at the rate of \$175 per month for ongoing financial planning. The monthly fee will be increased on an annual basis pursuant to the increase in the Consumer Price Index.

For clients with at least \$200,000 in assets under management, they will pay the annual advisory fee for investment management services (disclosed above), and ongoing comprehensive financial planning will be included for no additional fee.

The fee may be negotiable in certain cases. Fees for this service may be paid by electronic funds transfer or check. This service may be terminated with written notice by either party. Upon termination of any account, the fee will be prorated and any unearned fee will be refunded to the client.

Other Types of Fees and Expenses

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and

securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other investment products including asset-based sales charges or service fees from the sale of mutual funds.

What is the minimum amount of assets required for you to take a client? **No minimum as a \$175 monthly fee can be paid by clients who have less than \$200,000 in assets under management.**

If you receive payment for insurance product commissions, what percentage of your business revenue do they make up? **I do not receive any commissions as I am a Fee-Only advisor (i.e. I cannot receive compensation from third parties).**

Do you consider yourself a fiduciary? **Yes, I am a Fee-Only financial advisor who serves exclusively in a Fiduciary capacity.**

Do you routinely sign a fiduciary agreement with clients? **Yes. Item 11 of my Form ADV 2A clearly explains how Caligiuri Financial serves in a Fiduciary capacity. All clients receive my form ADV Parts 2A and 2B when entering into an agreement with Caligiuri Financial.**

I have also signed a Fiduciary oath with the XY Planning Network, I am a member of the National Association of Personal Financial Advisors (NAPFA), and I am responsible for adhering to the Certified Financial Planner Board of Standards Code of Conduct.

Investment Philosophy

Do you use tactical asset allocation? If so, please explain your process. **No.**

Do you believe you can time the market sufficiently well to beat a comparable low-cost index fund after fees? **No, my firm utilizes low-cost index funds.**

Do you pick individual stocks for clients? **No, I utilize low-cost passively managed funds.**

Do you believe most physicians should own a cash value life insurance policy of any type? If so, what type and why? **No.**

Do you believe you can select mutual fund managers who can beat an index fund in the same asset class over the long term going forward? **No.**

What percentage of a typical client portfolio would you place into actively managed mutual funds or ETFs? **0%**

What role do fees play in your selection of individual investments? **A very important role as I try to keep internal fund fees as low as possible.**

What fund companies do you routinely use? (Check all that apply)

Vanguard

DFA - I have access to DFA funds; however, none of my clients are invested in DFA funds at this time.

Bridgeway

iShares

Other (Please list):

Do you routinely engage in tax-loss harvesting for clients in their taxable accounts? **Yes. We also routinely engage in asset location, which is another effective tax savings strategy for clients.**

Physician Specific Issues

How many physicians and/or dentists are you currently advising? (i.e. managed assets of or met with in the last year): **I manage assets or have met with 29 physicians in the last year. My niche is physicians and physician-scientists.**

What do you feel is your biggest value-add for a doctor?

The niche clientele I serve are physicians and physician-scientists. Because of this, I understand the needs of this group on a more specialized level than financial advisors who are generalists.

Physicians and physician-scientists tend to be extremely busy and often do not have the time to implement a sound financial plan. Similar to a personal fitness trainer, I take a tremendous amount of pride in helping physicians and physician-scientists actually implement sound financial plans so that important life and financial to-do's do not sit on the backburner.

Do you consider yourself qualified to give high-quality advice on all of the following student loan related issues: IBR, PAYE, REPAYE, PSLF, deferment, forbearance, and student loan refinancing? Why or why not? Is this advice included in your regular fees listed above?

I refer my clients to experts who specialize in student loans for specific student loan advice. These experts charge a fee in addition to my fee. This is a highly technical area with ever-changing rules and regulations, so I would encourage physicians and physician-scientists to hire and pay for an expert.

How many clients have you assisted with a Backdoor Roth IRA in the last year?

12

Which of the following accounts do you consider yourself an expert on? (check all that apply)

401(k)

403(b)

457(b)

Individual 401(k)

SEP-IRA

SIMPLE IRA

Traditional IRA

Roth IRA

HSA

Profit-sharing Plan

Defined Benefit/Cash Balance Plan

Others (Please list):

401(a) plans and defined benefit pension plans.

What steps do you proactively take in a market downturn to improve investor behavior?

Establish a sound financial plan at the beginning of every client relationship that includes a goal-oriented investment strategy. My clients understand that assets that aren't needed for a long period of time (e.g. retirement assets) are invested more aggressively and can be expected to be more volatile. Assets needed in the relatively near future (e.g. downpayment in 5 years or college education accounts) are invested more conservatively. Managing cash flow and liquidity through goal-oriented investments is very important. I recommend for clients to maintain an emergency fund to aid with cash flow, if necessary.

Anything else that you would like me to take into consideration with regards to your application?
(Attach additional documentation as desired)

The two primary services I offer are my One-Time Financial Plan and the Financial Planning Partnership (please see attached). I believe it's important to start every relationship (even the Financial Planning Partnership) with a comprehensive financial plan to make sure everyone is on the same page.

In my experience, many advisors (even those who are fee-only!) do not follow through with implementation in areas like life/disability/liability insurance and estate planning after they have secured "assets under management" from a client; this is because many advisors do not receive direct compensation to do so. So, you have a situation where Fee-Only advisors are not putting clients into bad insurance products (this is good!), but they don't necessarily have an incentive to make sure the client is insured at all or even have an estate plan (this is bad!).

By providing the written comprehensive financial plan at the beginning of every relationship, which includes recommendations pertinent to all areas of financial planning, I purposefully hold myself accountable to implement all non-investment recommendations like insurance and estate planning (in addition to the investment recommendations!). More specifically, if a client moves forward with the Financial Planning Partnership after receiving the One-Time Financial Plan, the client will have a written record of all financial planning recommendations I believe should be implemented. I believe this is extremely important.

My firm truly specializes in serving physicians and physician-scientists. This is exemplified through my decision to utilize niche marketing that essentially "turns away" non-physicians and it is also shown through speaking opportunities I have received from the James Cancer Hospital at The Ohio State University and Mount Carmel.

Thank you so much for your consideration!

Mike