



- Form ADV Part II
- Proxy Voting and Class Action Filings
- Anti-Money Laundering and Anti-Terrorist Policies and Procedures
- Privacy Policy

Sage Capital Advisors, LLC
5672 La Jolla Blvd.
La Jolla, CA 92037
Tel: (858) 459-0172
www.sage-cap.com
www.sagecapitaladvisor.net

Form ADV Part II & Schedule F
Sage Capital Advisors, LLC

SEC File No. 801-55202
April 19, 2010

Name of Investment Adviser:

Sage Capital Advisors, LLC

Address: (Number and Street) (City) (State) (Zip Code)
5672 La Jolla Blvd. La Jolla CA 92037

Area Code: Telephone Number:
(858) 459-0172

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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Applicant:

Sage Capital Advisors, LLC

SEC File Number:

801-64637

Date:

April 19, 2010

1. A. **Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate
% of total advisory billings from that service.
(See instruction below.)

Applicant:

- | | | | |
|-------------------------------------|-----|--|------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 85 % |
| <input checked="" type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | 10% |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | 5 % |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription..... | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any services described above | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | |
| <input type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | % |
| <input type="checkbox"/> | (8) | Provides a timing service..... | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B.	Does applicant call any of the services it checked above financial planning or some similar term?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
----	---	------------------------------	--

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- The services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- Applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- When compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input checked="" type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

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Applicant:

Sage Capital Advisors, LLC

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Date:

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3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on: |
| <input type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (1) securities |
| | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | |
| <input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper) | <input type="checkbox"/> J. Futures contracts on: |
| | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input checked="" type="checkbox"/> E. Certificates of deposit | <input checked="" type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| | <input type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> G. Investment company securities: | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> L. Other (explain on Schedule F) |
| <input checked="" type="checkbox"/> (2) variable annuities | |
| <input checked="" type="checkbox"/> (3) mutual fund shares | |

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input checked="" type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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Applicant:
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Date:
April 19, 2010

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ☒ Yes ☐ No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- Each member of the investment committee or group that determines general investment advice to be given to clients, or
- If the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors), or
- Each principal executive officer of applicant or each person with similar status or performing similar functions

On Schedule F, give the:

- Name
- Formal education after high school
- Year of birth
- Business background for the preceding five years

7. Other Business Activities. (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.
- (For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- | | |
|--|--|
| <input type="checkbox"/> (1) broker-dealer | <input type="checkbox"/> (7) accounting firm |
| <input type="checkbox"/> (2) investment company | <input type="checkbox"/> (8) law firm |
| <input type="checkbox"/> (3) other investment adviser | <input type="checkbox"/> (9) insurance company or agency |
| <input type="checkbox"/> (4) financial planning firm | <input type="checkbox"/> (10) pension consultant |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |
| <input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes ☒ No ☐

(If yes, describe on Schedule F)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similar termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Please refer to Schedule F.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Please refer to Schedule F.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-------------------------------------|--------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- | | | |
|---|--|--------------------------------|
| B. Does applicant or a related person suggest brokers to clients? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
|---|--|--------------------------------|

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
--	---------------------------------	---

Adviser is not required to provide or disclose a Schedule G balance sheet since Adviser does not have custody of clients' funds or securities, nor does Adviser require pre-payment of fees in excess of 6 months in advance.

Please see Schedule F for important additional disclosures and information.

Item Number	Answer
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Item 1	ADVISORY SERVICES AND FEES
Items 1.A	<p>Investment Management Services</p> <p>Sage Capital Advisors, LLC ("Sage") provides discretionary and non-discretionary investment management services to individuals, trusts and estates, and to charitable organizations, including Native American Tribes. Upon entering into an advisory agreement, Client will sign an Investment Objective based upon conversations and information collected during the interview stage. Sage will collect information concerning the client's lifestyle, goals, and assets, among other things. Based on this information provided by the client, Sage may furnish the client with an "Investment Policy Statement" and/or Client Profile as necessary, which summarizes the client's current investment portfolio, investment goals and objectives, and risk tolerance level. Upon completion of this investment objective information, Sage will design the client's investment portfolio, implementing an investment plan for the client. Sage will monitor this investment portfolio to ensure that the investments made meet the client's goals and objectives. It is the client's responsibility to notify Sage promptly, in writing, of any change to the information provided by client, including any change to any written investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions.</p> <p>Sage Capital Advisors invests in undervalued securities without limiting investments to style, size, or country constraints.</p> <p>Securities are chosen based upon a detailed due diligence process that provides independent in house-valuation and monitoring</p> <p>Sage does not constrain its investments to the benchmarks asset allocation. The firm also does not limit investments to a securities market capitalization or country of origin.</p> <p>Sage Capital Advisors, LLC works with their clients to manage investment portfolio's based on each client's unique situation investment guidelines and/or investment guidelines.</p> <p><i>Sage monitors the asset allocations and investments each client portfolio in order to help ensure the accounts remain invested in accordance with Sage's overall investment strategy and the client's objectives.</i></p> <p>Consulting Services</p> <p>Sage may also offer investment consulting services on an hourly basis. This hourly consultation service may include one-time investment advice for individuals or institutions or various consulting arrangements.</p> <p>Clients wishing to employ the firm's advice are free to select any broker they wish and are so informed. Clients that request a recommendation of a broker from Sage will be given one</p>
Items 1.A (cont.)	

based on the broker's cost, skills, reputation, dependability and compatibility with the client.

Investment Management Fees

Sage charges an annual management fee based on the value of assets under Sage's management for these services and bills monthly. Under certain circumstances and at the discretion of Sage, the fee may be negotiable. Sage Capital Advisors, LLC charges fees based upon a tier as follows:

Tier Assets	Fee
First \$5,000,000	1.0%
Next \$5,000,000	0.8%
Over \$10,000,000	0.6%

Fee Schedule: Assets Under Management

Family accounts may be combined for calculating breakpoints. Under special circumstances, some clients may pay a flat fee in lieu of the assets under management fee.

Fees are billed in arrears and are based on the value of the assets in the client's account(s) on the last business day of the prior month. The Fee is payable monthly.

The first payment shall be prorated to cover the period from the date the account is opened through the end of the next full month. Thereafter, the Fee shall be calculated based on the account value on the last business day of the preceding calendar month and shall be due the following business day. The Fee may be modified or changed by Sage upon advance written notice to the client.

Clients may make additions to their account at any time. Additional assets received into the account after it is opened shall be charged a pro rata Fee based upon the number of days remaining in the month. Clients may withdraw account assets upon notice to Sage, subject to the usual and customary securities settlement procedures and also subject to Sage's right to terminate an account that falls below the minimum account size. No Fee adjustments shall be made for partial withdrawals or for account appreciation or depreciation within a billing period. A pro rata refund of Fees charged shall be made if the account is closed within a billing period. Sage shall not impose any start-up, closing or penalty fees in connection with the account.

Sage will invoice the custodian directly for its Fees and the Fee will be reflected on the custodial account statement sent by the custodian directly to the client at least quarterly. The client is responsible for verifying the accuracy of the Fee calculation -- the custodian will not determine whether the Fee is calculated properly.

The client is solely responsible for all commissions and other transaction charges, and any charges relating to the custody of securities in the account. The Fee covers only the investment management services provided by Sage and does not include brokerage commissions, mark-ups and mark-downs, dealer spreads or other costs associated with the purchase and sale of securities, custodian fees, interest, taxes, or other account expenses. The

Item 1.C	<p>client is solely responsible for these additional expenses. In addition to the Fee paid to Sage, each mutual fund may bear its own investment advisory fees and other expenses which are disclosed in each funds' prospectus. The mutual funds recommended or purchased may be available for purchase directly from the funds pursuant to the terms of their prospectuses and without paying the Fee to Sage.</p> <p>Consulting Fees Sage's consulting fee may be based on assets under management at 0.35% of the assets upon which advice is being provided or based on an hourly rate of \$150. Clients are invoiced on the last day of each month, and invoices are payable upon receipt. Fees are negotiable and will depend upon the complexity of the client's needs. Clients are advised that they are under no obligation to implement any investment recommendations through Sage.</p> <p>Other Services and Fees In some cases, Sage may provide certain advisory services to a client and charge a fixed fee based upon the services rendered to the client. The services to be rendered and the fixed fee will be negotiated with the client prior to Sage performing the services.</p> <p>Termination of Investment Management Agreement The Investment Management Agreement (the "Agreement") may be terminated by either party at anytime without penalty upon receipt of written notice. Such termination shall not affect liabilities or obligations incurred or arising from transactions initiated under the Agreement prior to such termination, including the provisions regarding arbitration, which shall survive any expiration or termination of the Agreement. Upon termination, the client shall have the exclusive responsibility to monitor the securities in the account, and Sage shall have no further obligation to act or give advice with respect to those assets. If the client terminates the Agreement within five (5) business days of its signing, the client shall receive a full refund of all fees and expenses. If the Agreement is terminated after five (5) days of its signing, any prepaid fees shall be prorated and the unused portion shall be returned to the client.</p>
Item 2.G	<p>Types of Clients Sage also generally provides investment advice to 501(c)(3) Non Profit Corporations, in particular Native American Tribes.</p> <p>If a client's account is a pension or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Adviser acknowledges that it is a fiduciary to the plan under Section 3(38) of ERISA. In providing its services, the sole standard of care imposed upon the Adviser is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.</p>
Item 4.C.7	<p>Methods of Investment Strategies</p>
Item 5	<p>Education and Business Standards Sage expects that its advisors have appropriate licenses and education as well as 5 years of investment advisory experience prior to providing investment advisory services to Sage's clients.</p>

Item 6

Education and Business Background

Diana Blair, b. 1966 - Post High School Education includes successfully passing the securities industry Series 7 and 66 exams as well as obtaining her CA insurance license. Diana has been in the financial industry since 1994, providing advice and management of deposits, credit, mortgages, investments, insurance and financial planning. Diana was employed from April 1994 to July 2005 with Wells Fargo Bank most recently as a Private Client Advisor. Diana has been employed with Sage as a managing member and Chief Compliance Officer since July 2005. Diana's focus has been on the Native American population.

Matt Johnson, b. 1973 - Matt received his B.S. in Business Administration from the University of South Dakota. He is a CFA charter holder and holds his CA insurance license. He has also successfully passed the Series 63 and 65 securities exams. Matt was employed with Wells Fargo Bank as an investment manager from February 1998 to July 2005. His clients included high net worth individuals, charities, foundations and other entities. Matt has been employed with Sage as a managing member since July 2007. Matt's approach employs customized portfolios given each client's specific objectives. Matt advises on the client's entire capital structure.

Item 7.B

Other Business Activities

While Sage does not sell insurance products, Diana Blair and Matt Johnson in their individual capacities, are licensed to sell, for sales commissions, insurance products through various insurance companies. A conflict of interest may exist because Diana and Matt may receive commissions on client transactions effected through the related insurance companies. Such commissions are in addition to the investment management fees the client pays. Diana's and Matt's recommendations may be limited to products offered through related insurance companies; however, the client is under no obligation to direct insurance transactions to these companies. Other suitable investment products may be available through other insurance companies.

Item 9.E

Participation of Interest in Client Transactions

On occasion, Sage and/or its employees may buy or sell securities recommended to clients. The firm does not anticipate conflicts of interest as the securities are widely held and publicly traded. In any such transaction, the firm may place the clients' interests above the firm's interests and those of its employees. These policies are incorporated into the firm's compliance manual and Code of Ethics, which is continually monitored and enforced by the Chief Compliance Officer or designee.

Code of Ethics

Sage has adopted a Code of Ethics ("Code") which is designed to comply with Rule 204A-1 of the Investment Advisers Act of 1940 ("Advisers Act"). This Code establishes rules of conduct for all employees of Sage and is based upon the principle that Sage and its employees owe a fiduciary duty to Sage clients. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. Sage and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. The Code also requires all Sage employees to comply with federal securities laws at all times.

Item 10

Compliance with the Code is mandatory and means that Sage and its employees have an affirmative duty of utmost good faith to act solely in the best interests of Sage's clients. If a violation of the Code occurs, Sage will impose sanctions as it deems appropriate. Sage will provide a current copy of the Code of Ethics to clients and prospective clients upon request.

Sage and its employees are subject to the following specific fiduciary obligations when dealing with clients: (a) The duty to have a reasonable, independent basis for the investment advice provided, (b) The duty to obtain best execution for a client's transactions where the firm is in a position to direct brokerage transactions for the client (c) The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances and (d) the duty to be loyal to clients.

Conditions for Managing Accounts

Sage requires that clients have a minimum dollar value of assets to be managed of \$300,000 or more. However, Sage reserves the right to waive this minimum under certain circumstances. In addition, there may be times when certain restrictions are placed by the client, which prevents Sage from accepting or continuing to manage the account. Sage reserves the right to not accept and/or terminate management of a client's account if Sage feels that the client imposed restrictions would limit or prevent Sage from meeting and/or maintaining its investment strategy.

Prior to entering into an agreement with Sage, the client should carefully consider: 1) committing to management only those assets that the client believes will not be needed for current purposes and that can be invested on a long-term basis, usually a minimum of five to seven years, 2) that volatility from investing in the stock market can occur, and 3) that over time the client's assets may fluctuate and at anytime be worth more or less than the amount invested.

Item 11

REVIEW OF ACCOUNTS

Item 11.A

Review of Client Accounts

Sage reviews accounts for adherence to client objectives. In addition to our day-to-day management, Sage will review accounts whenever a major market movement occurs. The accounts are reviewed by the two managing members of Sage Capital Advisors who are the client's investment manager and relationship manager. Typically, the number of clients served by each person does not exceed 40.

Item 11.B

Nature and Frequency of Client Reports

Clients receive reports on their accounts and other information as reasonably requested. Additionally, clients receive monthly statements and transaction confirmations directly from their custodian.

Item 12

INVESTMENT OR BROKERAGE DISCRETION

Item 12.A

Investment or Brokerage Discretion

Sage provides discretionary and non-discretionary investment management services. In exercising its discretionary investment authority, Sage will normally determine, without consultation with its clients on a transaction-by-transaction basis: 1) which securities to be

bought and sold for the account, 2) the total amount of such purchases and sales, 3) if not directed in writing by client, the broker-dealers through which transactions will be executed (including Electronic Communication Networks (aka ECNs)), 4) whether a client's transaction should be combined with those of other clients and traded as a "block", and 5) the commission rates paid to effect the transactions. However, Sage's discretionary authority may be subject to certain conditions and/or limitations that are imposed by a client, such as where the client directs that transactions be effected through specific broker-dealers or prohibits transactions in securities of a specific company and/or industry.

Any limits on Sage's discretionary authority will be disclosed by the client in the client's investment policy statement or investment guidelines.

For accounts where Sage does not have discretionary authority as listed above, Sage will contact the client prior to placing any transactions in the client's account.

Item 12.B

Directed Brokerage

Clients may direct the use of any broker/dealer of their choice ("Directed Broker"). If so directed, Sage will not be required to effect any transactions through the Directed Broker if Sage reasonably believes that executing any transaction(s) through the Directed Broker may not achieve best execution or may breach Sage's duties as a fiduciary.

Clients selecting the Directed Broker will be responsible for negotiating commission rates with the Directed Broker; Sage will have no responsibility for negotiating commission rates for the client. Also, as a result of selecting the Directed Broker, there may be differences between the commissions paid by the client and commissions paid by other advisory clients of Sage which have not directed brokerage to a particular broker-dealer.

By directing brokerage, Sage may not be able to aggregate client transactions with other advisory client transactions or obtain volume discounts. Furthermore, the client may not necessarily obtain commission rates and discounts as favorable as or obtain best execution as might otherwise be obtained if Sage was able to place transactions with other broker-dealers. In addition, conflicts may arise between the client's interest in receiving best execution with respect to transactions effected for the account and Sage's interest in receiving future client referrals from the Directed Broker.

Therefore, prior to directing Sage to use a specific broker-dealer, a client should consider whether, under that restriction, execution, clearance and settlement capabilities, commission expenses and whatever amount is allocated to custodian fees, if applicable, would be comparable to those otherwise obtainable.

All directed brokerage arrangements must be provided to Sage in writing by the client. A client must also notify Sage in writing if the client decides to terminate the directed brokerage arrangement.

Item 13

Soft Dollar Considerations

Item 13.A

Subject to the policy of seeking best execution for transactions, and also subject to the criteria of Section 28(e) of the Securities and Exchange Act of 1934 ("Section 28(e)"), Sage may, in circumstances where it has brokerage discretion and in which execution is

comparable, place trades with a broker that is providing brokerage and research services to Sage ("Research Broker"). Brokerage and research services provided by Research Brokers may include, among other things, effecting securities transactions and performing services incidental thereto (such as clearance, settlement and custody) and providing information regarding the economy, industries, sectors of securities, individual companies, statistical information, taxation; political developments, legal developments, technical market action, pricing and appraisal services, credit analysis; risk measurement analysis and performance analysis. Such research services can be received in the form of written reports, telephone conversations, personal meetings with security analysts and/or individual company management, and attending conferences. The research services provided by a Research Broker may be proprietary and/or provided by a third party (i.e. originates from a party independent from the broker provided the execution services).

In selecting a Research Broker, Sage will make a good faith determination that the amount of the commission charged is reasonable in relation to the value of the brokerage and research services received, viewed in terms of either the specific transactions or Sage's overall responsibility to the accounts for which it exercises investment discretion. Subject to Section 28(e), Sage may pay a Research Broker a brokerage commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of the value of the brokerage and/or research services provided by the broker. This practice is commonly referred to as "soft dollars". Sage believes it is imperative to its investment decision-making process to have access to this type of research and brokerage. Research services provided by Research Brokers may be used by Sage in servicing any or all of Sage's clients, and may be used in connection with clients other than those making the payment of commissions to a Research Broker, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the Research Broker providing the services. The receipt of brokerage and research services from any broker executing transactions for Sage's clients will not result in a reduction of the Sage's customary and normal research activities, and the value of such information is, in the Sage's view, indeterminable. Nevertheless, the receipt of such research may be deemed to be the receipt of an economic benefit by Sage, and although customary, may be deemed to create a conflict of interest between Sage and its clients. Therefore, Sage feels it is important for clients to be aware of the issues surrounding "soft dollars".

There may be cases when Sage may receive both non-research (e.g. administrative or accounting services etc.) and research benefits from the services provided by the Research Brokers. If and when this happens, Sage will make a good faith allocation between the non-research and research portion of the services received, and will pay "hard dollars" (i.e. Sage will pay from its own monies) for the non-research portion. In making a good faith allocation between research services and non-research services, a conflict of interest may exist by reason of Sage's allocation of the costs of such services and benefits between those that primarily benefit Sage and those that primarily benefit clients. Sage will always put the client's interests first.

Currently, Sage has not entered into any soft dollar arrangements; however, should Sage become aware of a soft dollar arrangement that it feels is in the best interest of its clients, Sage may enter into such arrangement and will promptly amend its ADV Part II to include

the details of the arrangement.

Recommending Brokers

Clients of Sage direct the selection of a qualified custodian to hold the funds they manage. As an investment advisory firm, Sage has a fiduciary and fundamental duty to seek best execution for client transactions, i.e. not necessarily seeking the lowest commission but the best overall qualitative execution in the particular circumstances.

Sage has adopted procedures to implement the Firm's policy on best execution. As part of the Firm's best execution practices, Sage conducts periodic reviews of the firm's brokerage and best execution practices, evaluating services. The factors used in considering the broker or dealer to be used are based upon the client's personal relationships, commission schedules, potential research capability of the broker or dealer and the wherewithal of the individual broker or dealer.

Aggregation

Transactions for each client generally will be effected independently, unless Sage decides to purchase or sell the same security for several clients at approximately the same time. Sage may (but is not obligated to) combine or "aggregate" such trades in order to seek better execution, to negotiate more favorable commission rates, and/or to allocate equitably among Sage's clients differences in prices and commission or other transaction costs that might have not been obtained had such orders been placed independently. Under this procedure, transactions shall generally be averaged as to price and allocated among Sage's clients participating in the aggregated order, pro rata to the purchase and sales orders placed for each client on any given day. To the extent that Sage determines to aggregate client orders for the purchase or sale of securities, including securities in which Sage, its employees or principals ("proprietary accounts") may invest, Sage shall generally do so in accordance with its written policies and procedures and applicable rules promulgated under the Investment Advisers Act of 1940 and no-action guidance provided by the staff of the Securities and Exchange Commission. Sage shall not receive any additional compensation or remuneration as a result of the aggregation.

Allocation

In the event that Sage determines that a prorated allocation for "batched orders" is not appropriate under the particular circumstances, the allocation shall be made based upon other relevant factors, which may include: (a) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or the account that is out of line with respect to security or sector weighting relative to other portfolios, with similar mandates; (b) allocations may be given to an account when that account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (c) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (d) with respect to sale allocations, allocations may be given to accounts low in cash; (e) in cases when a pro rate allocation of a potential execution would result in a de minimis allocation in one or more accounts, Sage may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (f) in cases where a small

proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Cross Transactions

From time to time, Sage may wish to effect an internal cross transaction between clients. Sage acknowledges its duty to seek best execution for its clients and acknowledges that the use of cross transactions may raise potential conflict of interest under the antifraud provisions of the Investment Advisers Act of 1940, Section 206(3) and Section 206 (4). Therefore, cross transactions are only considered when the need to liquidate securities results in an availability of securities that are appropriate for another account. Sage prohibits the need to purchase securities as the sole reason for identifying sale candidates nor does it allow the need to sell an issue as the sole reason for purchase of such by another client. When affecting a cross transaction, Sage does not act either as principal or agent through a broker/dealer or otherwise receive commissions or any type of compensation for effecting cross trades. Sage's sole intent for doing a cross trade is to act in the best interest of each client in accordance with their respective investment objectives. Cross trades are an exception to Sage's normal operating procedures and are only used when it is of conspicuous advantage to both accounts in the absence of appropriate and comparable alternatives. Prior to execution, Sage requests two-sided markets from at least two bona fide registered broker/dealers. Sage uses as the execution price the average of the prices obtained.

ADDITIONAL COMPENSATION

Additional Compensation

For certain clients, Sage utilize the services of Fidelity Institutional Wealth Services (FIWS) program sponsored by Fidelity Brokerage Services, Inc. ("Fidelity"). While there is no direct linkage between the investment advice given to the client and Sage's participation in the FIWS program, economic benefits are received by Sage which would not be received if Sage did not give investment advice to clients. These benefits do not depend on the amount of transactions directed by Sage to Fidelity. These benefits include: A dedicated trading desk that services FIWS participants exclusively, a dedicated service group and an account services manager dedicated to Sage's accounts, access to a real time order matching system, ability to "block" client trades, electronic download of trades, balances and positions in FIWS's portfolio management software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), availability of third party research and technology through 'soft dollar' arrangements, a quarterly newsletter, access to Fidelity mutual funds, and access to over 3,000 mutual funds not affiliated with Fidelity. It should be noted that all of these benefits are generally available today from a variety of large brokerage firms and clearing agents at no extra or special charge to Sage.

Item 13.B

Solicitation Arrangements

Sage may, from time to time, enter into contractual agreements ("solicitation agreements") with unaffiliated individuals and organizations ("unaffiliated solicitors") that solicit clients for Sage. All solicitation agreements will be made in writing and comply with the requirements of Rule 206(4)-3 under the Investment Adviser's Act of 1940 that are applicable to each arrangement. While the specific terms of each solicitation

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agreement may differ, generally, an unaffiliated solicitor's compensation is based upon Sage's engagement of new clients that were referred by the unaffiliated solicitor and the retention of those clients, and is calculated using a varying percentage interest in the fees paid to Sage by such clients. Each client will receive and must execute a disclosure statement, which contains complete information regarding the solicitation arrangement and the fees being paid to the solicitor.

Proxy Voting

Unless otherwise instructed in writing by the client, Sage has responsibility to vote proxies for securities held in a client's account. Sage's policy is to vote proxies in the best interest of its clients. To help ensure such policy, Sage has adopted written policies and procedures that outline, among other things, their general voting guidelines and how they handle any conflict of interest and are briefly described as follows:

Sage's pre-determined proxy voting guidelines have been adopted in order to help ensure the manner in which proxies are voted is in the best interest of clients. However, Sage may vote a proxy contrary to these guidelines if it determines that such action is necessary to ensure the vote is in the best interest of a specific client and/or all clients.

If at anytime Sage becomes aware of a conflict of interest relating to a proxy proposal, Sage will determine whether it is appropriate to disclose the conflict to the affected client(s) and give the client(s) an opportunity to vote the proxies themselves, address the voting issue through other objective means such as receiving an independent third party voting recommendation or abstaining from voting. The method selected by Sage will depend upon the facts and circumstances of each situation and the requirements of applicable law. Sage will maintain all the required records pertaining to proxy voting and for the period of time required to comply with applicable regulations.

A complete copy of Sage's current Proxy Voting Policy and Procedures is available to clients upon request. In addition, clients may also obtain information regarding how Sage voted proxies for their account by contacting Sage at the address indicated on page 1 of this form. Clients should include their name, the account and the security for which they are making the request.

**Proxy Voting
and Class
Action Filings
(cont.)**

Class Action Filings

A securities "class action" lawsuit is a civil suit brought by one or more individuals ("Plaintiffs") on behalf of themselves and others who have the same grievance against the issuer of a certain security. When a class action is filed, a written notice of filing and/or settlement is prepared (the "Notice"), which outlines the reasons for the lawsuit, the parameters for qualification as a member of the class and certain legal rights that need to be considered before becoming a member of the class (i.e. participating in the settlement). In addition, the Notice will contain instructions issued by the court to broker/dealers and/or other nominees (e.g. custodians) who receive the Notice and who hold the security on behalf of the owner/beneficiary, to either (1) provide the Claims Administrator (usually the attorney for the Plaintiffs) with the name and address of each such owner/beneficiary so the Claims Administrator can send the Notice directly to such owner/beneficiary, or (2) request additional copies of the Notice and send the Notice directly to the owner/beneficiary.

<p>Anti-Money Laundering and Anti-Terrorist Policies and Procedures</p> <p>Privacy Notice</p> <p>Privacy Notice (cont.)</p>	<p>In some cases, in addition to the owner/beneficiary, Sage may also receive notification of a class action. Since, as described above, the broker/dealer, nominee or Claims Administrator is responsible for sending the Notice to the owner/beneficiary of the security, and Sage does not hold securities on behalf of its clients, Sage does not send any additional notification to its clients.</p> <p>Because each class action involves certain legal rights that must be considered by the owner/beneficiary of the security before becoming a member of the class, Sage cannot instruct, or give advice to its clients on whether or not to participate as a member of the class and will not automatically file claims on the client's behalf. However, if a client notifies Sage that they wish to participate in a class action, Sage will provide the client with any transaction information pertaining to the client's account with Sage that may be needed in order for the client to file a proof of claim in a class action.</p> <p>Anti-Money Laundering Currently, the Anti-Money Laundering regulations under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act of 2001 (the "USA Patriot Act") do not apply to investment advisers and the proposed regulations for private investment funds have not been implemented. Sage's Chief Compliance Officer monitors all updates on this matter and will see that appropriate policies are implemented if and when such regulations are adopted. While Sage has not adopted a formal or written AML policy, Sage has established general guidelines and procedures in an effort to determine client identities and relationships and monitors client investment activities.</p> <p>Privacy Notice At Sage Capital Advisors, LLC, priority is to maintain clients' trust and confidence. Sage Capital Advisors, LLC is committed to protecting the confidentiality of clients' personal financial information. Client confidentiality is a professional obligation that is most important to Sage. This notice is a description of Sage Capital Advisors' policies for protecting our clients' personal financial information.</p> <p>Information Collected. Sage Capital Advisors, LLC collects certain non-public personal information from our clients in connection with our investment advisory services. We use this information to identify our clients, to protect and administer client accounts and records, to provide superior services to our clients and to comply with certain laws and regulations. Information is collected from:</p> <ul style="list-style-type: none">• Account Applications (including name, address, social security numbers, income, assets, investments);• Client Transactions (with us and others with whom we work to provide clients with diverse financial products and services); and• Verification Processes (with regard to applications, including current or past employers, financial institutions, etc.). <p>Protection of Your Non-Public Personal Information. It is important to Sage Capital Advisors, LLC to keep client information secure. We restrict access to non-public personal information to only those employees and agents who need to know that information in order</p>
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to provide products or services to clients. Sage maintains physical, electronic and procedural safeguards that comply with federal standards to guard your non-public personal information.

Information Disclosed. Sage Capital does not sell, share or disclose non-public personal information to non-affiliated third party companies except as permitted or required by law. These disclosures typically include information to process transactions on your behalf, to conduct our operations, to follow client instructions as they authorize, or to protect the security of our financial records.

For example, Sage Capital Advisors, LLC may disclose non-public personal information about client in connection with the transfer of accounts to another financial institution at your request or the request of other advisers.

As we provide services to, Sage is permitted by law to share non-public personal information within our company relating to transactions or experience with clients, including account balances or payment history.

Former Customers. If a client closes their account(s) or becomes an inactive customer, Sage will adhere to the privacy policies and practices as described in this notice.

Sage Capital Advisors, LLC reserves the right to change this policy at any time. We will notify our clients if any changes occur.