



***Secure your future wisely.<sup>SM</sup>***

Sage Financial Advisors, Inc.  
Form ADV Part 2A – Disclosure Brochure  
March 1, 2012

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Under federal and state law, Sage Financial Advisors, Inc. ("Sage") is a fiduciary to clients. We must (a) make full disclosure of all material facts related to our advisory relationships, and (b) seek to avoid conflicts of interest. This Brochure provides information about Sage's qualifications and business practices. If you have any questions, please call us at 775-324-7244.

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Sage is a registered investment advisor. Additional info is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). On that website, you may find other firms listed with similar names as ours. We are a completely separate and unaffiliated company to those other firms. Our firm IARD/CRD number is 107607.

## Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Sage will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

Since our last annual updated brochure, we have no material changes to report.

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## Item 4 – Advisory Business

Sage has been registered with the SEC and various state regulatory agencies as a registered investment advisor since 1996. Sage is a Nevada Corporation and commenced operations in January 1996. At that time, we acquired substantially all the investment advisory business of Pitts Financial Services, Ltd., d.b.a. Pitts & Company. There are 5 shareholders of Sage, Brian Loy is the primary shareholder, and no other shareholder owns more than 25%.

Brian M. Loy, CFA, CFP, is President and founder of Sage. His responsibilities include strategic planning, marketing, investment policy, analysis and recommendations. He has over 30 years' experience in the financial services industry, and is a frequent guest speaker and quoted industry expert on wealth management topics. Prior to forming Sage, Brian worked with Pitts & Company (since 1994), Smith Barney Shearson (1992 – 94), and Equitec Financial Group (1980 – 91). He holds the designations of Chartered Financial Analyst (1991) and Certified Financial Planner (1986). Brian is a graduate of the University of California, Berkeley (BS-Finance 1980). He is passionate in professional development and community leadership; and has completed numerous advanced studies and continuing education programs, regularly attends industry symposiums, and is an active board member for various professional and community organizations.

Our primary mission is to help clients make smart financial decisions for greater security, control and peace of mind. We are independent, a fiduciary to our clients, and objective (we are compensated on a fee-only basis). The two major services are:

- Financial planning
- Investment management

Financial Planning Services – The firm's principal began his career in the financial planning industry in 1980. Financial planning, for individuals or organizations, is basically a process:

- Clarifying and defining goals
- Understanding the present situation, risks, and outlooks
- Evaluating various action plans to achieve those goals
- Implementing the course(s) that “best fit”
- Make adjustments along the way as goals and conditions change

This dynamic process is one of the cornerstones of our practice.

**Financial Planning Services** – Provided to clients on a streamlined or comprehensive basis. They are tailored to the client's specific needs, and generally include analysis and advice on personal and business planning. Clients are not obligated to implement Sage recommendations. Comprehensive personal financial planning (includes a written financial plan) may include the following areas:

- Wealth Planning – *What will it take for me to retire and stay retired?* Defining savings and spending, investment returns required, and diversification and asset allocation to achieve financial independence goals.

- Other Financial Goals – Various strategies to achieve college funding, debt reduction, and major asset acquisition (disposition) goals.
- Business Owner Considerations – Evaluation and recommendations in various areas including profitability, employee benefit plans, and transition planning.
- Employee Benefits – Evaluation and recommendations regarding deferred compensation and retirement plans, employee stock options, and group insurance.
- Tax and Estate Planning – Discuss general tax and estate planning concepts. This involves coordination with clients' CPAs and attorneys as Sage is not licensed to provide tax or legal advice.
- Risk Management – Review insurance coverage (e.g. life, disability, health, and liability) and general recommendations for discussion with clients' insurance agents. This too involves coordination with clients' insurance agents; Sage is not licensed to sell insurance products.

Financial planning involves many areas of specialization (e.g. tax and accounting, legal, banking, insurance, business valuation, etc.) that is beyond Sage's expertise. And therefore, Sage may coordinate with clients' team of professionals.

**Investment Management Services** – Sage manages and monitors client portfolios on a discretionary basis. Portfolios are generally based on an asset allocation and investment policy based on an overall financial plan (long-term), and not driven by market conditions (short-term). Our primary focus is to achieve client's long term goals and to minimize risk (i.e. smooth the market "ups and downs"). The suggested minimum for investment management is \$750,000.

Investment services may include:

- Defining client's long-term investment objectives (investment returns required to achieve financial goals) and risk tolerance (portfolio price volatility), while understanding client's situation and needs (e.g. how much cash flow is needed from portfolio, when is cash flow needed, tax and legal considerations, and preferences).
- Research and analysis of investments and market conditions.
- Development of suitable investment strategies, and execution of a "best fit" investment plan
- Monitoring and rebalancing the portfolio on a regular basis (generally monthly and no less than quarterly), and making adjustments as necessary.
- Maintaining regular communication with clients (e.g. review if goals or situation have changed).
- Preparation of quarterly portfolio reports for clients (and special reports as needed, such as tax planning and preparation, committee and board meetings, etc.).
- Other Investment Advisory Services – On a very limited basis, clients ask Sage for advice regarding other investments, including investment allocations within their variable annuities and company retirement plans. Also, clients have infrequently requested general advice on private investment and limited partnership investment proposals.

#### Non-Discretionary Investment Services

Some clients direct their own investments, and Sage's responsibilities are limited to reporting services only. This may occur when clients are business owners, provide employer sponsored retirement plans, and make available self-directed retirement accounts to eligible employees (e.g.

SIMPLE IRA and 401k). In those cases, Sage helps the business owner open participant accounts, and the employees elect whether Sage manages on a discretionary basis, or reporting only.

As of January 27, 2012, Sage managed \$90,162,972 in discretionary assets and \$74,094 in non-discretionary assets, for a total of \$90,237,066 in assets under management.

## **Item 5 – Fees and Compensation**

Sage is a fee-only advisor. We are not compensated by commissions. Clients and Sage enter into a written agreement which specifies the services provided (e.g. Consulting Agreement for *Financial Planning Services* and Investment Management Agreement for *Investment Services*).

**Financial Planning Fees** – These are negotiable, and generally dependent upon the complexity of the case. Fees may be either hourly (up to \$200 per hour depending on the staffing of the engagement) or fixed with a “not to exceed” limit as follows:

- Comprehensive Personal Financial Plan – Generally range \$1,500 to \$5,000
- Periodic Updates (assuming no significant change) – Generally \$750 to \$2,500

(Note: Clients with annual investment management fees to Sage exceeding \$15,000 are considered Wealth Management Clients and financial planning is generally provided at no additional charge.)

Financial planning fees are payable upon presentation of the written plan, which is always within 6 months of engagement for consulting services, and with client’s satisfaction of the work. Clients may be asked for a deposit of up to \$500 in advance. A client may cancel the consulting agreement anytime before the presentation.

**Investment Management Fees** – These fees are negotiable. Fees are based on a percentage of assets under management and are currently:

First \$1 million	1.15% per annum
Next \$1 million	0.85%
Next \$2 million	0.60%
Above \$4 million	0.40%

We may have current client relationships that pay fees that are lower or higher than the fee schedule above. Sage may provide reporting only services for 0.25% to 0.40% per annum; the services provide monitoring of client self-directed investment accounts.

A written agreement with the client specifies how investment management fees are charged by Sage. Sage will bill its fees on a quarterly basis in advance. Fees are deducted directly from the account, unless client elects to be billed directly. Management fees shall not be prorated for capital contribution and withdrawal during the applicable calendar quarter. However, initiated or terminated accounts will be charged a prorated fee. Upon termination of any account, any prepaid and unearned fees will be promptly refunded; any earned and unpaid fees will be due and payable.

Clients incur other expenses with investing in addition to Sage investment management fees. Sage shall not receive any portion of those commissions, fees and expenses. As fiduciary, Sage shall seek to minimize those costs where possible, and determine reasonableness in light of performance and industry averages. These include brokerage commissions, transaction fees, and other third party management costs and expenses (including custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other taxes and fees on brokerage accounts and transactions; also, mutual funds and exchange traded funds also charge internal management fees and expenses which are disclosed in the fund's prospectus).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Sage Financial Advisors does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Clients**

Sage provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, and trust programs.

The suggested minimum account size for opening a new account with Sage Financial Advisors is \$750,000. Sage does not require a minimum balance to maintain an account.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Sage is focused on achieving clients' financial goals. Fundamentally, this requires developing an investment strategy that satisfies the client's investment objectives, risk tolerance, and constraints. Our duties and roles are broader. We work in a dynamic balance where:

- Market conditions change
- Client's goals, situation, and attitudes about risk change
- Investments have risks and those risks change

Ultimately, our business is about trust. This includes communication, professionalism, and mutual benefit. And Sage shall strive to maintain trusted relationships with clients, and third parties.

### **Investment Styles and Research**

- Endowment Investment Model – We generally apply a model employed by large endowment funds and foundations. This combines the use of traditional assets (US and foreign equities, and fixed income) and non-traditional assets (e.g. alternatives and real estate). We prefer investments that provide specialized management, liquidity and transparency.
- Preference of strategic allocation (long-term) and fundamental investing over tactical allocation (short-term) and technical investing. Generally tactical/technical is less than 30% of a portfolio.
- We use a combination of active and passive (e.g. index investing) manager styles.

- We do not invest in “wrap fee programs” as defined by the SEC.
- Investment and allocation research is provided by third parties. Individual security research is done on a very limited basis.

Portfolio Investments may include:

- Equities – Preference for diversified investments (e.g. mutual funds, ETFs and separate account managers), rather than individual securities. However, we may make accommodation for client’s ‘sacred cows’ such as inherited or employer stock, or client imposed restrictions.
- Fixed Income – Generally use individual securities including US government agency issues, asset-backed or corporate securities, preferred stock and municipal bonds; with diversification into bond mutual funds, unit investment trusts, and closed end funds. Foreign bond investments are generally limited to either dollar denominated issues or diversified investments (e.g. mutual funds). Certificates of deposit are also permitted. Risk management is pursued through diversification and quality.

Risk of Loss – Investing carries the risk of loss and there is no guarantee that any investment strategy will meet its objectives. In order to achieve the client’s financial goals (e.g. funding a desired lifestyle during retirement, a college education, an endowment’s spending policy, etc.), riskier investments or asset classes may be needed. Sage’s investment approach constantly keeps risk of loss in mind, in both investment strategies (e.g. diversification, allocation, and third party portfolio managers) and communications with clients.

Common Risks – There are numerous risks with investments. More detailed risks are described in prospectuses. Following are the common and relevant risks:

- Financial and Business Risk – These are risks to individual companies and industries.
- Market Risk – A decline in asset prices as a result of unexpected changes in broad market factors related to equity, interest rates, currencies or commodities.
- Credit Risk – Decline in an asset price resulting from a change in the credit quality of an issuer or counterparty.
- Inflation Risk – Inflation erodes purchasing power.
- Interest Rate Risk – Investors may demand higher yields (e.g. higher interest rates and preferred dividends, and lower security prices) if interest rates are expected to rise.
- Market Capitalization Risk – Stocks of small or emerging companies may have less liquidity and greater price volatility than larger and more established companies.
- Foreign and Emerging Market Risk – In general, foreign markets are perceived having higher risk than the domestic US market, and emerging foreign markets riskier than developed foreign markets. Issues may include sovereignty, stability, regulation, taxes, and liquidity. Investors are also exposed to currency risk.
- Turnover Risk – Managers who trade more frequently than a long-term “buy and hold” style manager may incur higher trading costs and generate higher income tax liabilities (e.g. short term vs. more favorable long-term capital gains treatment).
- Operational Risk – Results from inadequate or failed internal processes, people and systems, or external events.



- Liquidity Risk – Inability to raise cash to meet short-term liabilities, or to trade an asset at the prevailing market price due to market disruptions.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to client’s evaluation of Sage Financial Advisors or the integrity of Sage’s management. Sage has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Sage Financial Advisors’ does not have any employees, which are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker dealer. Nor does Sage have any employees registered, or have an application pending to register, as a futures commission merchant, commodity pool operator or a commodity trading advisor. Sage does not have any related parties. As a result, we do not have a relationship with any related parties.

## **Item 11 – Code of Ethics**

Sage Financial Advisors has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Sage must acknowledge the terms of the Code of Ethics annually, or as amended.

Sage anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which Sage has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Sage, its affiliates and/or clients, directly or indirectly, have a position of interest. Sage’s employees and persons associated with Sage are required to follow Sage’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Sage and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Sage’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Sage will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially interfere with the best interest of Sage’s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to

reasonably prevent conflicts of interest between Sage and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Sage's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Sage will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Sage Financial Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kirstin Griffin.

## **Item 12 – Brokerage Practices**

Sage Financial Advisors does not maintain custody of client's assets that we manage, although we may be deemed to have custody of client assets if the client gives us authority to withdraw assets from their account (see Item 15 – Custody). Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that clients use Schwab as custodian/broker, clients will decide whether to do so and will open an account by entering into an account agreement directly with Schwab. We will assist clients in opening an account with Schwab. Even though the client account is maintained with Schwab, we can still use other brokers to execute trades for client accounts.

We seek to recommend a custodian/broker who will hold client assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody).
- Capability to execute, clear and settle trades.
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.)
- Availability of investment research tools that assist us in making investment decisions.
- Quality of services
- Competitiveness of the price of those services (margin interest rates, other fees, etc.) and willingness to negotiate the prices.
- Reputation, financial strength, and stability.

For our clients' accounts that Schwab maintains, Schwab generally does not charge separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into clients Schwab account. In addition to commissions, Schwab charges clients a flat dollar amount as a "prime broker" or "trade away" fee for each that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation client pays the executing broker-dealer. To help minimize client trading costs, we have Schwab execute most trades for client accounts. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of client trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above.

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage-trading, custody, reporting, and related services-many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts; while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

**Services That Benefit You:** Schwab's Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services That May Not Directly Benefit You:** Schwab also makes available to us other products and services that benefit us but may not directly benefit the client or clients' account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts.
- Provide pricing and other market data.
- Facilitate payment of our fees from our clients' accounts.
- Assist with back-office functions, recordkeeping, and client reporting.

**Services That Generally Benefit Only Us:** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services so long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The \$10 million minimum may give us an incentive to recommend that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services, and not Schwab's services that benefit only us.

### **Item 13 – Review of Accounts**

Managed accounts are reviewed no less than once per month; financial planning accounts are reviewed annually. Triggering factors include: Major change in client's situation, significant flow of funds and major external event. In addition, accounts with other money managers are reviewed when the applicant receives their statements, usually quarterly. Accounts are reviewed by the President and Director of Investments.

All clients get an annual review and update from Sage Financial Advisors. All clients receive management statements from their broker/dealers, mutual funds and other money managers, monthly or quarterly. Managed accounts receive written quarterly portfolio evaluations from Sage.

### **Item 14 – Client Referrals and Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in Item 12 – Brokerages Practices. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Sage Financial Advisors receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through the applicant's participation in Schwab Advisor Network ("the Service"). The Service is

designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with the applicant. Schwab does not supervise Advisor and has no responsibility for the Sage's management of clients' portfolios or Advisor's other advice or services. Sage pays Schwab fees to receive client referrals through the Service. Sage's participation in the Service may raise potential conflicts of interest described below.

Sage pays Schwab Participation on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. Participation Fees are a percentage of the value of the assets in the client's account. Sage pays Schwab Participation Fees for so long as the referred client's account remains in custody at Schwab. Participation Fees are billed to the applicant quarterly and may be increased, decreased or waived by Schwab from time to time. Participation Fees are paid by Sage and not by the client. Sage does not charge clients referred through the Service fees or costs greater than the fees or costs the applicant charges clients with similar portfolios who were not referred through the Service.

Sage generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Sage will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees are based on the amount of assets in accounts of Sage's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Sage will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts at Schwab.

For accounts of Sage's clients maintained in custody at Schwab, Schwab generally does not charge the client separately for custody but receives compensation from the client in the form of commissions or other transaction-related compensation on securities trades Schwab executes for the client's account. Clients also pay Schwab a fee for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Sage may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Sage nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Sage's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

## **Item 15 – Custody**

Sage Financial Advisors has authority to debit fees directly from client accounts. For this reason only, we are deemed to have custody of client funds. The broker dealer maintains actual custody of

client assets. Clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Sage provides all clients with a quarterly statement. We urge clients to carefully review such statements and compare custodial statements to the account statements that we provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

Sage Financial Advisors receives discretionary authority from the client at the outset of an advisory relationship to execute trade within the account. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. All clients are provided a Management Agreement and the current ADV Part 2, before assuming discretionary authority.

Clients also complete our Confidential Fact Finder. The Confidential Fact Finder provides us information to assess client suitability for our discretionary investment management services. In addition to the Confidential Fact Finder, suitability is assessed through conversations with prospective clients and/or their consultants.

### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Sage Financial Advisors does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Sage may provide advice to clients regarding the clients' voting of proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about Sage Financial Advisors' financial condition. Sage has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.