

# FIRM BROCHURE

## *(PART 2A OF FORM ADV)*

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This brochure provides information about the qualifications and business practices of Sacajawea & Company, LLP. If you have any questions about the contents of this brochure, please contact us at: 781-237-9290, or by email at: [info@sacajaweaco.com](mailto:info@sacajaweaco.com). 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. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about Sacajawea & Company, LLP, also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## ITEM 2: MATERIAL CHANGES

### *Material Changes since the Last Annual Update*

There have been no material changes in our business since our last Annual Update.

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## ITEM 4: ADVISORY BUSINESS

### *Firm Description*

Sacajawea & Company, LLP (Sacajawea) was founded by William H. Wrean (Bill) in 1972. As a former professor of economics, with experience in security analysis, portfolio management, and fiduciary trust, Bill created a proprietary approach to manage investment portfolios. Over the years, we have continued to refine this approach as technology and information became more available, but the underlying principles remain the same. William H. Wrean Jr. (Will) joined the firm in 1989, bringing additional academic experiences and insight to the firm's investment strategies. Will and Bill (the "Partners") are the only partners in the firm and they currently have no employees.

Sacajawea is a fundamental long-term investment advisory firm. We collect the raw historical financial data for every company we are interested in. We do not rely on newsletters or outside opinions. Our strong academic backgrounds and business skills allow us to independently evaluate companies and their stock by analyzing their financial data, historical performance and other publicly available information. We do not invest in derivatives or leverage our client's accounts.

We manage portfolios for individuals, trusts, foundations and retirement accounts on a discretionary basis. On December 31, 2013 we had \$110,137,000 under our discretionary management. As economists, we like to consider our clients full economic well-being when giving advice. This allows us to tailor each portfolio to the client's individual needs. However, as our clients tend to have similar needs and goals, the individual portfolios are often similar over extended periods of time. As part of helping our clients with their full economic well being, we also, when and as requested, will review and counsel clients regarding their budgets, estate plans and other issues.

## ITEM 5: FEES AND COMPENSATION

We are proud to offer fees that we believe to be among the lowest in the industry. We charge a percentage of the market value of the assets under management plus a percentage of the current indicated income of those assets. Our fees are not based upon capital gains or the appreciation of funds under management and we do not accept performance-based fees of any kind. Occasionally we are hired for ad hoc economic or financial consulting. We charge an hourly rate for such consulting (currently set at \$350 per hour) and our portfolio management clients receive a 50% discount.

The quarterly management fee is calculated as: (1) the (sum of the) product(s) of the appropriate market value component(s) and the corresponding market value multiplier(s), plus, (2) the (sum of the) product(s) of the appropriate income component(s) and the corresponding income multiplier(s), in each case from the tables below. Market value of a client's portfolio for

purposes of the fee calculation will be the market value of the portfolio at the close of the preceding quarter (after giving effect to all contributions to and withdrawals from the portfolio on or prior to such date). The income component is defined as the annual income indicated for the portfolio being managed as of the close of the preceding quarter (based on the holdings of such portfolio as of the most recent end of quarter). The minimum quarterly management fee is \$1,734.00. Any minimum management fee paid, and the rate applicable to ad hoc consulting fees, may be adjusted annually with advance notice given to clients.

Market Value Component	Market Value Multiplier	(Annual Equivalent)	Maximum Marginal Quarterly Fee	Cumulative Quarterly Fees
\$0 - \$250,000	.00125	0.50%	\$312.50	\$312.50
\$250,001 - \$500,000	.00110	0.44%	\$275.00	\$312.51 - \$587.50
\$500,001 - \$1,000,000	.00090	0.36%	\$450.00	\$587.51 - \$1,037.50
\$1,000,001 - \$2,000,000	.00080	0.32%	\$800.00	\$1,037.51 - \$1,837.50
\$2,000,001 - \$3,000,000	.00070	0.28%	\$700.00	\$1,837.51 - \$2,537.50
\$3,000,001 - \$4,000,000	.00060	0.24%	\$600.00	\$2,537.51 - \$3,137.50
\$4,000,001+	.00050	0.20%		\$3,137.51+

Indicated Annual Income	Income Multiplier	(Annual Equivalent)	Maximum Marginal Quarterly Fee	Cumulative Quarterly Fees
\$0 - \$10,000	.0150	6.0%	\$150.00	\$150.00
\$10,001 - \$20,000	.0130	5.2%	\$130.00	\$150.01 - \$280.00
\$20,001 - \$40,000	.0110	4.4%	\$220.00	\$280.01 - \$500.00
\$40,001 - \$80,000	.0100	4.0%	\$400.00	\$500.01 - \$900.00
\$80,001 - \$120,000	.0075	3.0%	\$300.00	\$900.01 - \$1,200.00
\$120,001 - \$160,000	.0050	2.0%	\$200.00	\$1,200.01 - \$1,400.00
\$160,001+	.0025	1.0%		\$1,400.01+

We bill our clients for the current quarter in advance when we send out the quarterly market value statement for the previous quarter. We do not deduct our fees from our client's accounts automatically as we believe our clients should be aware of how much they are paying to have their portfolio managed. Either the client or Sacajawea can terminate the relationship at any time with written notice to the other party. If Sacajawea terminates the relationship it will refund a pro-rated share of the fee paid for the current quarter.

We do not participate in any wrap fee programs or charge any custodian or trustee fees. We do not accept any payments from brokers or other businesses that work for us or our clients. When we buy and sell securities the clients do pay discount brokerage commissions to their broker. Please see the section on brokerage for further information regarding brokerage fees. In the event a client's assets are invested in a mutual fund, that client is also paying the adviser of the

mutual fund a management fee. A typical fee for our personalized investment advisory service is lower than the expense ratio of most mutual funds.

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## **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Sacajawea does not receive any performance-based fees or have any side-by-side management business.

## **ITEM 7: TYPES OF CLIENTS**

Sacajawea manages portfolios for high net worth individuals, trusts, foundations and retirement accounts. Portfolios are managed on a discretionary basis only. We have never solicited business, but if a high net worth investors ask us to manage their portfolios, a minimum of \$2,000,000.00 under management is required in most instances. In certain instances Sacajawea may, in its discretion, agree to manage less than this, such as in cases of a Client's special need or of a personal interest to us.

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## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Sacajawea uses a fundamental long-term investment strategy, investing in what we believe are promising stocks, bonds, equity funds, bond funds, money market funds and federally insured bank accounts. We do not invest in derivatives or leverage our client's accounts. When investing in a company's securities, we collect current and historical quarterly financial data directly from the SEC. We collect at least 20 years of historical data for every company we invest in. The SEC data we collect online is not available prior to 1994 so we have purchased this prior historical data from Standard & Poors. Using our proprietary approach, we carefully analyze the fundamental data for every security we are considering making an investment in. We do not rely on newsletters or outside opinions for investment recommendations. However, at times we will use research reports that a broker makes available to its clients, such as Argus, Standard and Poors Stock Reports or First Call Earnings, in our due diligence process.

We create diversified portfolios for our clients using only publicly traded securities. Publicly traded securities present multiple risks that should be considered by clients and potential clients, including market risk (price volatility), business risk (chance of bankruptcy or default) and liquidity risk (chance that no ready buyer/seller will exist for a security at a given time). Despite careful analysis of every company we invest in, we expect to lose money in some of our investments. Unfortunately we never know which ones will lose money when we buy them. We try to reduce these risks by our careful security analysis and by using diversified portfolios. However, any current and potential client should be aware that we cannot eliminate these risks

and that investments in securities are only appropriate for persons who can afford to suffer losses with respect to their investment.

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## **ITEM 9: DISCIPLINARY INFORMATION**

Sacajawea has never had any legal or disciplinary actions against it.

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## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

None of the partners, management persons or interested parties of Sacajawea are registered or have applied to be a broker-dealer or a futures commissions merchant, commodity pool operator, or commodity trading advisor. Neither Sacajawea nor any of its management persons has a relationship with anyone working in the financial industry that would create a material conflict of interest with our clients.

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## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Sacajawea has adopted a Code of Ethics (the “Code”) in accordance with Rule 204A-1 of the Investment Advisers Act of 1940. A copy of the Code is available to clients upon request without charge. The purpose of the Code is to set forth certain key guidelines that have been adopted by Sacajawea as office policy. It provides guidance for all personnel and specifies the responsibilities of all of Sacajawea's employees to act in accordance with their fiduciary duty to clients and to comply with applicable federal and state laws and regulations. The Code requires that all employees conduct themselves in accordance with high ethical standards that are premised on the concepts of integrity, honesty and trust, and in full compliance with all applicable federal and state laws and regulations concerning the securities industry. For purposes of the Code, contract personnel or independent contractors providing services to Sacajawea on our premises or otherwise having access to our records or performing functions relating to our investment strategies may be considered “employees,” in each case as and when determined by its Chief Compliance Officer, William H. Wrean, Jr. The following is a summary of certain provisions of the Code:

### Confidential Information

As an Investment Advisor, Sacajawea has a fiduciary duty to its clients not to divulge or misuse information obtained in connection with its services as an advisor. All information, whether of a personal or business nature, that an employee obtains about a client's affairs in the course of

employment with Sacajawea should be treated as confidential and used only to provide services to or otherwise to the benefit of the client. Sacajawea's services to the client, such as advisory services, should ordinarily be treated as confidential. Employees must not discuss or disclose confidential information about clients to anyone outside of Sacajawea. Employees should not confide client information in their relatives, friends or strangers. The Code provides that any misuse of confidential information about a client may cause both the client and Sacajawea substantial injury; therefore, there are serious consequences for employees who fail to comply with the Code. In addition to client information, information about non-clients that may be included in client information also should be held in confidence.

The Code provides steps that employees can take to assure that confidential information is not disclosed to persons outside the office, including: avoiding inadvertent or accidental disclosure by engaging in careless conversation in public environments; safeguarding papers and documents by marking file folders and locking file cabinets when appropriate; and employing additional safeguards such as establishing barriers to the exchange of information in especially sensitive situations and exercising care when transmitting confidential information by e-mail or through the Internet.

#### Material Inside Information

All Employees of Sacajawea and all persons who receive nonpublic material inside information from Employees concerning an issuer of securities (whether such issuer is a client or not or public or private) are subject to these rules. The Code provides that if any employee gives nonpublic material inside information concerning an issuer to a person outside Sacajawea who then trades in securities of that issuer, the Employee and that person may both have civil and criminal liability. To avoid confusion, inside information generally is information about an issuer's business or operations (past, present or prospective) that becomes known to an employee and which is not otherwise available to the public. If a person knows information about an issuer which the person believes would influence an investor in any investment decision concerning that issuer's securities and which has not been disclosed to the public, the person should not buy or sell that issuer's securities. The Code sets forth a list of certain kinds of information that are particularly likely to be "material inside information." In addition, the Code explicitly forbids the disclosure of material inside information to another person ("tipping") who subsequently uses that information for his or her profit.

In alignment with federal law, the Code prohibits any employee from using material inside information, whether obtained in the course of working at Sacajawea or otherwise, for his or her private gain, for Sacajawea's gain or for the client's gain. No trades should be executed for any employee, client or Sacajawea, if Sacajawea or the person executing the trade has material inside information about the issuer. Even in cases where the information is in the public domain, case law requires that a person waits for a reasonable period of time after the publication prior to disclosure. Therefore, Employees should not trade in the affected securities without first consulting with the Chief Compliance Officer.



All personnel receiving material, nonpublic information have the same duty not to disclose or use that information in connection with transactions of client securities. Employees may not purchase or sell any securities with respect to which they have inside information for their own, Sacajawea's or for a client's account or cause clients to trade on such information until after such information becomes public. The foregoing prohibition applies whether or not the material inside information is the basis for the trade. Whenever employees come into possession of what they believe may be material nonpublic information about an issuer or come across information about an issuer in the public domain, employees should contact the Chief Compliance Officer as Sacajawea as a whole may have an obligation not to trade in the securities of the issuer. The Chief Compliance Officer will inform appropriate personnel about issuers about which Sacajawea has inside information so as to prevent any trading in securities of such issuers.

### Fiduciary Duty and Conflicts of Interest

Sacajawea and its employees have a fiduciary duty to act for the clients' benefit and to treat the clients fairly. Sacajawea and its employees have a duty to take action on their clients' behalf before taking action in the interest of any employee or Sacajawea. The Code highlights many of the common conflicts of interest that may arise between Sacajawea's employees and its clients. The manner in which an employee discharges his or her fiduciary duty and addresses a conflict of interest depends on the circumstances. Sometimes general disclosure of common conflicts of interest may suffice. Other times explicit consent of the client to the particular transaction giving rise to a conflict of interest may be required. In other circumstances, an employee may be prohibited from engaging in the transaction regardless of whether the client consents. The client's consent will not in all cases insulate the employee against a claim of breach of the employee's fiduciary duty. Full disclosure of all material facts must be given if a consent is to be effective. The duty to disclose and obtain a client's consent to a conflict of interest must always be undertaken in a manner consistent with the employee's duty to deal fairly with the client. Therefore, even when taking action with a client's consent, each employee must always seek to assure that the action taken is fair to the client.

The Code provides several common examples of conflicts of interest, including arrangements with selection and commissions of broker-dealers, gifts, and serving as a director or member of an investment committee of any public company, or of any organization where such duties might require involvement in investment decisions.

### Scalping or Front-Running

As a general rule, any employee (or family member residing in that employee's household or other period or entity over which the employee has control) who knows of a pending "buy" recommendation or who is aware of a pending "sell" recommendation may not engage in the practice of purchasing or selling stock before Sacajawea makes buy or sell recommendation to non-discretionary clients or takes action on the recommendation for its clients. Sacajawea has taken steps to restrict access to material nonpublic information about its investment decisions,

recommendations, client securities holdings and transactions, to employees who need such information to perform their duties, including the use of password protection on our computers and/or files or databases and limiting physical access to paper storage records.

#### Unfair Treatment of Certain Clients Vis-à-vis Others

An employee who handles one or more clients may be faced with situations in which it is possible to give preference to certain clients over others. Employees must be careful not to give preference to one client over another even if the preferential treatment would benefit Sacajawea or the employee. The fiduciary duty of an employee to a client must govern the employee's actions in each situation and the extent of the fiduciary duty of an employee to a client is determined by the specific relationship between the parties and the reasonable inferences to be drawn from the relationship. In the absence of express or implied agreements between the parties, usage and custom should be used to determine how an employee should discharge his or her duty. Each situation should be examined closely to determine whether the client has consented to the employee's actions favoring another client and whether the resulting relationship with the client, which was not favored, is fair and consistent with the securities laws.

#### Personal Trading

The Code establishes that all employees (including any such persons who are considered to be employees for purposes of the Code), partners, officers or directors of Sacajawea are considered to be "Access Persons" as defined under the Advisers Act. Employees are precluded from purchasing any equity securities issued in an initial public offering or any securities offered in a "private placement" for any Covered Account without the prior written approval of the Chief Compliance Officer. The Code also imposes strict employee reporting standards. Under the Code, each employee was required to submit an initial holdings report to the Chief Compliance Officer, disclosing the identities, amounts, and locations of all securities owned in all Covered Accounts (defined as any account in which the employee has a beneficial ownership interest). Each new employee must submit such an initial holdings report within 10 days of commencement of employment. In addition, each employee must disclose similar information within thirty (30) days after the end of each calendar year while employed by Sacajawea. Such reports must be current as of a date not more than 45 days prior to the employee joining Sacajawea (for an initial report) or the date the report is submitted (for the annual report). In addition to self-reporting, each employee must instruct each broker, bank, or other financial institution in which the employee has a Covered Account to provide Sacajawea with duplicates of all trade confirmations and all monthly or other periodic statements. Each employee also must report to the Chief Compliance Officer within 30 days after the end of each calendar quarter all securities transactions in all of the employee's Covered Accounts during the preceding quarter.

All clients are informed in advance that we buy and sell simultaneously for as many clients as possible and for our own portfolios. If a security's liquidity is low such that our trades will impact the price of a transaction, we will buy and sell for the Clients before we buy and sell in our own accounts.

## **ITEM 12: BROKERAGE PRACTICES**

Sacajawea assumes general supervision over placement of securities orders for the client portfolios it manages, but clients typically instruct us to direct securities transactions to a particular brokerage firm. If we are asked to suggest one, we recommend a large discount broker of good reputation who has already demonstrated that it can provide good, comprehensive service at relatively low prices in an efficient manner (e.g. TD Ameritrade or T. Rowe Price Brokerage).

Directed brokerage may at times result in such client paying higher commissions than would be the case if we were able to select brokers freely, for instance by limiting our ability to negotiate commissions for the client and its ability to aggregate orders and may result in an inability to obtain volume discounts or best execution for the client in some transactions. The higher cost associated with a directed brokerage arrangement will be disclosed to each client which uses such an arrangement. In the case of a directed brokerage arrangement, the client, not Sacajawea, shall be responsible for overseeing the brokerage activities for purposes of achieving best execution.

Sacajawea does not currently employ any “soft dollars,” although we do use certain broker-provided research that the applicable broker generally makes available to brokerage clients without respect to the number of transactions conducted with such broker. Sacajawea may in future opt to use additional broker-provided products and services to assist us in carrying out our investment decision making responsibilities, provided that we will at all times comply with Section 28(e) of the Securities Exchange Act of 1934 in connection with any use of soft dollars.

Sacajawea typically does not aggregate the trades of our clients into single block orders. An advantage to this type of order is that each client who is allocated shares from a given securities purchase/sale that day would receive the same average purchase/sale price for the transaction. Unfortunately, any block order trades made in a day must settle by 5 pm on the day of execution and we cannot guarantee that we will be able to make the needed pro-rated allocation among its clients. We have discussed how block orders are executed at TD Ameritrade and believe that such trades do not receive favorable pricing versus placing specific trades in individual client accounts. It is our belief that, given the full size of the order is shown, it can hurt the transaction price clients receive as the market adjusts to the visible demand.

Sacajawea places buy/sell orders in each client’s account directly. To avoid bias toward one client over another we rotate the order in which we place client’s brokerage orders. Another

technique used by Sacajawea to minimize bias among clients is that we will use Limit Orders which often result in clients all receiving the same transaction price. However, we will also use Market Orders for our clients if we believe they will result in a better result for our clients.

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### **ITEM 13: REVIEW OF ACCOUNTS**

The Partners price all of the assets held by client portfolios, as well as securities that Sacajawea is currently considering for investment, on a weekly basis. Such pricing includes establishing a range of values for each such security, upon on which trading decisions may be triggered to the extent that the market price of any such security were to deviate outside of such internally established range. We also monitor news about the issuing entities continuously with mutual consultations about news items on the assets they own or are considering owning.

Sacajawea provides each client with written quarterly market value statements with measures of quarterly and annual total return for such client's portfolio (including a comparison to the published returns of the S&P 500). We also provide the annual income indicated for the portfolio based on the current interest and dividend payments of the assets in the portfolio (presented on an annualized basis, based upon the holdings of the portfolio as of the close of the most recent quarter). In the process of preparing the quarterly reports, a Partner reviews each client's portfolio.

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### **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

Sacajawea does not seek referrals nor does it compensate anyone if it receives an unsolicited referral. Sacajawea also does not accept any compensation for any recommendations or referrals out it may make (such as recommending a discount broker or an estate planning attorney when requested by the clients). In summary, we do not receive any compensation of any kind except the above mentioned fees for investment management of client portfolios or the occasional ad hoc economic counsel. Sacajawea did not receive any ad hoc fees in 2012.

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### **ITEM 15: CUSTODY**

Sacajawea does not have custody of any client accounts.

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### **ITEM 16: INVESTMENT DISCRETION**

Sacajawea manages portfolios on a discretionary basis only. We do not have any non-discretionary clients nor do we manage any assets on a non-discretionary basis. Our clients all

exercise a Limited Power of Attorney supplied by their brokerage firm that allows us to trade on their accounts.

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## **ITEM 17: VOTING CLIENT SECURITIES**

Sacajawea adopted a written proxy voting policy and related procedures designed to assure that client securities are voted in the best interests of the client and address material conflicts of interest that may arise between the investment adviser and its clients. It is the responsibility of all employees who are involved in portfolio management and/or the voting of client proxies to familiarize themselves with and adhere to Sacajawea's proxy voting policy. We expect that most or all client accounts will retain authority and responsibility for voting of proxies directly, with no involvement from Sacajawea. All proxies are mailed directly to the clients at the address of record on their brokerage accounts.

With respect to client accounts for which Sacajawea has responsibility/authority for voting proxies, if any, any proxies received by us in connection with such client accounts will be reviewed by the Chief Compliance Officer. Sacajawea expects that it will not respond to most proxy requests unless the requested vote presents a material issue with respect to the interests of Sacajawea's client to which such proxy relates and such client's best interests would be served by a response by us. By the terms of such proxies, such non-response may result in a "Yes" vote to management recommendations. In the event that the Chief Compliance Officer determines that a material conflict exists between the interests of Sacajawea and that of the client, such client will be given the opportunity to vote the proxy directly. Sacajawea will furnish a copy of its proxy voting policy to clients upon request. To the extent a client wants information as to Sacajawea's specific proxy votes with respect to the client's debt instruments or equity securities, if any, the client should contact our Chief Compliance Officer, who will provide the client with the relevant information.

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## **ITEM 18: FINANCIAL INFORMATION**

Sacajawea has nothing to disclose under this item.

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## **ITEM 19: REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

As an SEC registered investment adviser, this item is not applicable to Sacajawea.