

Form ADV Part 2A: *Firm Brochure*

Item 1 – Cover Page

Saddle Road Partners, LLC

3820 South 176th Circle

Omaha, NE 68130

402-968-4493

Date of Disclosure Brochure: March 2015

This disclosure brochure provides information about the qualifications and business practices of Saddle Road Partners, LLC (also referred to as we, us and Saddle Road throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Richard Jarvis at 402-968-4493 or rich.jarvis@saddleroadpartners.com. The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Saddle Road is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for Saddle Road Partners, LLC or our firm's CRD number 175020.

*Registration as an investment adviser does not imply a certain level of skill or training.

Item 2 – Material Changes

Saddle Road Partners is a newly registered investment adviser and this disclosure brochure dated March 2015 is the first disclosure brochure prepared by our firm. In the future, this item will discuss only specific material changes that are made to the disclosure brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of this disclosure brochure.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

Saddle Road Partners, LLC (also referred to as we, us and Saddle Road throughout this disclosure brochure) is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company (LLC) formed under the laws of the State of Nebraska.

- Richard Jarvis is the Chief Compliance Officer (CCO), Chief Investment Officer, Managing Member, and an Investment Advisor Representative of Saddle Road. Richard Jarvis owns 100% of Saddle Road.
- Saddle Road has been registered as an investment adviser since March 2015.

Introduction

The investment advisory services of Saddle Road are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of Saddle Road (referred to as your investment adviser representative throughout this brochure).

Please understand that a written agreement, which details the exact terms of the service, must be signed by you and Saddle Road before we can provide you the services described below.

Description of Advisory Services

Saddle Road offers asset management services, which involves Saddle Road providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

Types of Investments

Saddle Road is primarily an equity securities manager. Our primary investment strategies involve the purchase of fractional ownership stakes in businesses listed on public equity exchanges for our clients. In each equity strategy, we embrace a concentrated approach, generally 20 to 30 companies, in building client portfolios. We believe our equity investment process is a common sense, dispassionate discipline. The discipline is applied consistently through stock market cycles. We seek quality companies to populate our clients' portfolios and we have the patience to let those companies work for us over a long investment time horizon. We also provide investment advice and may hold the following types of investments in client accounts:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Foreign Issues
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Stocks (Equity Securities), Bonds (Fixed Income Securities)

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

Our investment discipline seeks to remove the human behavioral mistakes that can plague individual as well as professional investors. All considered, we seek to provide equity investment disciplines that are rational, repeatable and effective. It is not our investment strategy to attempt to time the market. We may, however, increase cash holdings as a natural byproduct of our investment process. For example, increased cash holdings could occur when portfolio holdings are sold and no investment candidates meet our purchase discipline. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

We believe that long-term investment performance should be focused by a concentrated portfolio of businesses that exhibit the following attributes:

- **Growth of Intrinsic Value:** We seek evidence that a company will dependably generate value for shareholders in the future. Such companies will typically have an identifiable competitive advantage ("an economic moat"). Such companies also tend to consistently generate economic profits, defined as returns on invested capital that exceed cost of capital. Such companies also tend to generate ample recurring cash flow available for shareholder-friendly uses such as growth initiatives, dividends and stock repurchases.

- **Management:** We seek management that is capable and honest with financial interests aligned with shareholders. Such managers should have a history of growing per-share value through a solid operating strategy and disciplined capital allocation. We measure management by their actions rather than by their popularity or rhetoric.
- **Value:** A great company with an excellent management team can be a poor investment if an investor pays too much for shares of the company. We seek to purchase shares at a price that will provide compelling investment returns.

We manage each client's account in accordance with the investment strategies outlined in Item 8 of this brochure. Therefore, investment selections are based on the underlying model and we then develop customized (or individualized) portfolio weightings or holdings for each client depending on their risk tolerance. Clients have the opportunity to place reasonable restrictions on the types of investments that Saddle Road will make on their behalf. We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

(Please refer to *Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss* for more information.)

Client Assets Managed by Saddle Road

As a newly registered investment adviser, Saddle Road has no assets under management to report as of March 2015.

Item 5 – Fees and Compensation

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Saddle Road.

Asset Management Services

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. If asset management services are commenced in the middle of the billing period, then the prorated fee for that billing period is based on the value of the Account when services commence and is due immediately and will be deducted from the Account when services commence.

The asset management services continue in effect until terminated by either party by providing notice of termination to the other party. Any prepaid, unearned fees will be promptly refunded by Saddle Road to you. Fee refunds will be determined on a pro rata basis using the number of days services are actually provided during the final period.

Fee Schedule

Fees for our services are negotiable based on factors such as the total amount of assets under management, pre-existing relationships with our advisory personnel, the complexity of your situation and other considerations that Saddle Road may need to consider. Our standard tiered fee schedule is as follows, and does not cover brokerage commissions or custodial and administrative costs associated with the Account which are discussed below under the “additional fees and expenses” heading.

- Assets under \$20 million: 0.50% annually paid quarterly as detailed above
- Assets exceeding \$20 million: 0.40% annually paid quarterly as detailed above

The exact fee you will pay will be agreed to and stated in our agreement for services. Fees are assessed on all assets under management, including securities, cash and money market balances. To calculate advisory fees, we generally rely on prices provided by third-party pricing services for purposes of valuing portfolio securities held in your account. We may, very infrequently, be required to “fair value price” a security when a market price for that security is not readily available or when we have reason to believe that the market price is unreliable. When “fair value pricing” such a security, we use various sources of information to determine a fair price that the security would obtain in the marketplace if, in fact, a market for the security existed. For any fair value priced securities, we maintain policies and procedures relating to the pricing process, in an effort to mitigate any conflicts of interest with respect to valuation.

At our discretion, we may aggregate asset amounts in accounts managed from the same household, or Family Office entity, to determine the advisory fee. We may utilize this “family billing”, for example, where we also advise accounts on behalf of your minor children, individual and joint accounts for a spouse, and/or other types of related accounts. This consolidation practice is designed to allow you the benefit of an increased asset total, which could potentially cause your account(s) to be assessed a reduced advisory fee.

Saddle Road believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses) should your Account hold mutual fund shares.

Minimum Investment Amounts Required

Saddle Road requires a minimum of \$5,000,000 in order to open an account. To reach this account minimum, clients can aggregate all household accounts. Exceptions may be granted to this minimum at our sole discretion subject to a minimum annual advisory fee of \$10,000.

How Fees are Collected

For your convenience and ours, we will obtain your written authorization permitting the fees to be paid directly from your account held by the qualified custodian. The independent qualified custodian holding your funds and securities will debit your account directly for the advisory fee and pay that fee to us. Further, your qualified custodian will provide you with account statements at least quarterly showing, among other details, all debits from the account including our advisory fees. You should review your account statements received from the qualified custodian(s) and verify that appropriate

investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

In limited circumstances, we may bill you directly for our management fee. In this case, the payment is due upon receipt of the invoice.

Other Fees and Expenses

Brokerage expenses including transaction ticket fees charged by the qualified custodian are billed directly to you by the qualified custodian. Saddle Road does not receive any portion of such expenses or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than Saddle Road in connection with investments made through your account including, but not limited to, mutual fund 12b-1 fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. We do not receive any portion of such fees and expenses. Management fees charged by Saddle Road are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

Item 7 – Types of Clients

Saddle Road generally provides investment advice to the following types of clients:

- High net worth individuals including Family Office organizations
- Trusts, foundations and other charitable organizations
- Corporations and other business entities

You are required to execute a written agreement with Saddle Road specifying the particular advisory services in order to establish a client arrangement with Saddle Road.

Please see Item 5 – Fees and Compensation for an explanation of the minimum investment amounts required.

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

Methods of Analysis

Saddle Road is primarily an equity securities manager. Our primary investment strategies involve the purchase of fractional ownership stakes in businesses listed on public equity exchanges for our clients. Saddle Road uses Fundamental analysis when formulating investment advice. This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors.

The risk associated with fundamental analysis, and related quantitative analysis, is that Saddle Road's estimates of intrinsic value might be incorrect. Future cash flows and other inputs used to determine

intrinsic value are unknowable, making estimates of intrinsic value subjective. Saddle Road's probability-weighted, multiple scenario valuation process, qualitative business assessment and the diversification of portfolio holdings strives to mitigate valuation risk. Nonetheless, our interpretation of intrinsic value may be wrong and could therefore lead to an unfavorable investment decision.

Investment Strategies

Generally speaking, clients interested in Saddle Road's investment strategies should be willing to share our long-term investment perspective and minimum three to five year investment time horizon.

Saddle Road Quality & Value Strategy ("Quality & Value"):

Quality & Value is our primary investment strategy. We believe in investing with conviction as owners of individual businesses. Our Quality & Value portfolio, typically 20 to 30 businesses, is purposefully unlike most institutional equity portfolios as well as the stock market indices we seek to outperform over a market cycle. Quality & Value is a bottom-up strategy focused on the attributes of individual businesses.

We focus on the quality of the businesses in the Quality & Value portfolio. The quality characteristics combined with our value discipline and a focus on the source of profitability and competitive advantage of the individual portfolio companies' are significant factors in striving for adequately diversified portfolios.

Using volatility as the proxy for risk, a concentrated portfolio tends to be more risky than a more diversified portfolio. However, we view the permanent loss of capital as risk rather than price volatility or beta. For this reason, we accept price volatility and focus our risk analysis on each individual business in the Quality & Value portfolio.

In straightforward terms, the Quality & Value investment process:

1. Seeks to identify businesses with an identifiable competitive advantage that allows the business to increase intrinsic value at a satisfactory rate for several years.
2. Patiently wait until the shares of such a business trade at an adequate discount to its intrinsic value – then buy shares.
3. Hold our ownership interest in the business until:
 - The business is trading at a price above intrinsic value almost assuring poor future investment returns from continued ownership or
 - The business has deteriorated and we expect the business will no longer increase intrinsic value at a satisfactory rate or
 - The capital invested in a fairly valued, or even undervalued, business would be better used to invest in a better business that is more undervalued.
4. Return to step 1 of the investment process.

Investment Process and Criteria

The Quality & Value investment process includes a quantitative and qualitative analysis of potential investment candidates for the Quality & Value portfolio.

- Investment Idea Generation: Quantitatively, we screen a universe that typically includes the top 1,000 to 1,200 companies, by market capitalization, trading in the U.S. Data screens are our primary idea generating resource as the screens allow us to isolate companies with characteristics consistent with a competitive advantage. Characteristics include, but are not limited to, the following:

- High profitability using several factors but with return on tangible invested capital being the more significant of the profitability factors.
- A history of intrinsic value growth using a proprietary method which encompasses the historical profits and capital allocation strategy of each company.

The screening process typically narrows the universe to under 250 companies; many of which we have identified in the past.

- Investment Idea Generation – other resources:
 - We believe that time spent reading is very important for generating ideas as well as continuing to improve our investment process. Rather than dedicating excessive time to reading about short-term market movements, macroeconomic trends or GDP and interest rate forecasts, we argue that reading to build our knowledge of individual companies is substantially more productive.
 - Reading a broad range of business and non-business publications is helpful in broadening our understanding of businesses and the environments in which they operate. Our reading universe includes, but is not limited to, the major investment press, specialized investment publications, company filings, company presentations and call transcripts, reports of money managers that we respect as well as non-business books and publications.
- Identify a Competitive Advantage:
 - Our qualitative analysis begins with the identification of a competitive advantage. Competitive advantages generally fall into two general categories: A *Cost and Capital Efficiency Advantage* or a *Price Premium Advantage*.
 - The following sources of competitive advantage fall under the Cost and Capital Efficiency Advantage or Price Premium Advantage.
 - Cost and Capital Efficiency: Innovative and difficult-to-copy business methods, unique resources related to geographical location, efficient size for a relevant market or scalable products or processes to add revenue at negligible marginal cost.
 - Price Premium: Innovative and difficult-to-copy patented products, quality products that are perceived by customers as superior, brand names for which customers will pay a premium even if there is no clear quality difference, customer lock-in or high switching costs.
 - We prefer businesses with a Price Premium Advantage because these businesses are more likely to generate sustainably high returns on capital through pricing power. However, pricing power is more difficult to achieve than Cost and Capital Efficiencies. In practice, we consider a mix of competitive advantages to be another means of diversification in the Quality & Value portfolio.
- Assess Valuation Uncertainty:
 - With a competitive advantage identified, we next consider how uncertain expected future cash flows will be for the business. This is important in our valuation discipline because the level of uncertainty in future cash flows will impact the discount rate we use in our valuation discipline and effect the range of scenarios we feel is necessary in our probability-weighted valuation. Of specific significance, if our assessment of

uncertainty indicates risk of catastrophe then we eliminate the business as an investment candidate.

- Several factors go into our analysis of uncertainty – some factors are objective and others are subjective. Factors include a company's operating and financial leverage, historical volatility of annual cash flows, level of regulatory oversight or interference, our judgment about the capital allocation ability of the company's management team and the company's competitive pressures. Also, a key tool for our analysis of valuation uncertainty is our proprietary calculation that encompasses the historical profits and capital allocation strategy of a business.
- Determine Intrinsic Value:
 - We believe that the intrinsic value of a company is the sum of the company's future cash flows discounted at an appropriate discount rate.
 - Because future cash flows are inherently "unknowable", our valuation process utilizes a multiple scenario approach. The scenarios are probability-weighted based on each individual company's future cash flow uncertainty and strength of competitive advantage.
 - Using a probability-weighted, multiple scenario valuation process provides a risk-adjusted valuation and intrinsic value forecast. This valuation approach puts an emphasis on risk which we believe is helpful in preserving investors' capital.
- Purchase, Position Sizing and Sell Discipline:
 - Saddle Road believes that the proper management of a portfolio of businesses is more than just buying attractive businesses at a compelling valuation. Our discipline strives to evaluate and continuously improve three separate portfolio management skills: (1) Buying skill (2) Position sizing skill and (3) Selling skill. Each of these skills is important for the overall management of a portfolio.
 - Purchases: Businesses that have passed our investment process to this point are added to the Quality & Value portfolio when:
 - The business trades at a discount, typically 20% or more, versus our probability-weighted intrinsic value forecast and
 - The source of the company's profitability and competitive advantage does not negatively impact the diversification needs of the Quality & Value portfolio.
 - Position Sizing: How much capital do we allocate to a portfolio position and when? Based on probability-weighted value, competitive advantage and valuation uncertainty, our daily monitoring system calculates a target size for each position in the portfolio. Because our investment time horizon is long, we do not trade actively. However, when a position size is 50% above or below the target size, we update our valuation and investment thesis for the position. Also, when our daily monitoring system indicates that we should not own a position (i.e. a 0% target position size), we update our valuation and investment thesis for the position.
 - Sell Discipline: We will sell or reduce a portfolio position when:
 - The business is trading at a price exceeding intrinsic value almost assuring poor future investment returns from continued ownership or

- The business has deteriorated and we expect the business will no longer increase intrinsic value at a satisfactory rate or
- The capital invested in a fairly valued, or even undervalued, business would be better used to invest in a better business that is more undervalued.

Saddle Road Empirical Knowledge Investment Project (“EKIP”):

EKIP is a rules-based equity investment strategy and was designed to complement the Saddle Road Quality & Value Strategy. EKIP complements the Quality & Value Strategy as it features a historical tendency to find economically sensitive businesses when a market cycle turns from a trough to recovery and expansion. In contrast, the Quality & Value Strategy tends to be somewhat more defensive with a higher average market capitalization than EKIP. EKIP utilizes simple buy rules and sell rules with sector risk constraints and applies them with a discipline that is intended to take advantage of, or avoid, several human behavioral tendencies that result in mistakes by investors.

As a rules-based strategy, EKIP is primarily a quantitative strategy with limited human capital oversight. The human capital oversight is primarily: (1) to maintain and review the system and (2) apply a fundamental review process to EKIP purchase candidates. Importantly, the fundamental review process seeks to assure that the data driving the buy rules are correct.

EKIP is designed to maintain approximately 30 portfolio positions. The EKIP universe is comprised of US stocks with a market capitalization range of approximately \$1 billion and higher.

Risk of Loss

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on

strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.

- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.
- Volatility Risk – Given the concentrated nature of our strategy the market value of our portfolios may exhibit significant volatility over time. Investors should approach an investment in our strategy with a long term view and should not attempt to time the market seeking short term, trading-oriented gains
- Industry / Concentration Risk – The portfolio's investments could be concentrated within one industry or group of industries. Any factors detrimental to the performance of such industries will disproportionately impact your portfolio. Investments focused in a particular industry are subject to greater risk and are more greatly impacted by market volatility than less concentrated investments
- Non-U.S. Securities Risk – Non-U.S. securities are subject to the risks of foreign currency fluctuations, generally higher volatility and lower liquidity than U.S. securities, less developed securities markets and economic systems and political and economic instability
- Emerging Markets Risk – To the extent that your portfolio invests in issuers with operations in emerging markets, the risk may be heightened by political changes and changes in taxation or currency controls that could adversely affect the values of these investments. Emerging markets have been more volatile than the markets of developed countries with more mature economies
- Currency Risk – The value of your portfolio's investments may fall as a result of changes in exchange rates
- Interest Rate Risk – The value of fixed income securities rises or falls based on the underlying interest rate environment. If rates rise, the value of most fixed income securities could go down
- Credit Risk – Most fixed income instruments are dependent on the underlying credit of the issuer. If we are wrong about the underlying financial strength of an issuer, we may purchase securities where the issuer is unable to meet its obligations. If this happens, your portfolio could sustain an unrealized or realized loss
- Inflation Risk – Most fixed income instruments will sustain losses if inflation increases or the market anticipates increases in inflation. If we enter a period of moderate or heavy inflation, the value of your fixed income securities could go down
- Geopolitical Risk – Market valuations of equity and debt securities could be temporarily or

permanently impaired because of events that create uncertainty among some market participants. Such events include political instability, terrorist attacks, large scale natural disasters, and sovereign or other types of risk.

Item 9 – Disciplinary Information

Item 9 is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

Saddle Road is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. .

Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading

Code of Ethics Summary

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. Saddle Road has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as "supervised persons". All employees, officers, directors and investment adviser representatives are classified as supervised persons. Saddle Road requires its supervised persons to consistently act in your best interest in all advisory activities. Saddle Road imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm's fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of Saddle Road. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

Affiliate and Employee Personal Securities Transactions Disclosure

Saddle Road or supervised persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of Saddle Road that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. Saddle Road and its supervised persons will not buy or sell securities for their personal account(s) where their decision is derived, in

whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, supervised persons):

- Supervised persons cannot prefer their own interests to that of the client.
- Supervised persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Supervised persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Supervised persons are prohibited from purchasing or selling securities of companies in which any client is deemed an “insider”.
- Supervised persons are discouraged from conducting frequent personal trading.
- Supervised persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of Saddle Road.

Any supervised person not observing our policies is subject to sanctions up to and including termination.

Item 12 – Brokerage Practices

Brokerage Recommendations

Saddle Road may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc (“Schwab”), a FINRA-registered broker-dealer, Member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. Although Saddle Road may recommend the clients establish accounts at Schwab, it is the client’s decision to custody assets with Schwab. Saddle Road is independently owned and operated and not affiliated with Schwab. Saddle Road may recommend additional unaffiliated broker-dealers to affect fixed income transactions.

Schwab provides Saddle Road with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ assets are maintained at Schwab Advisor Services. These services are not contingent upon Saddle Road committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab’s brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

For Saddle Road’s clients’ accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to Saddle Road other products and services that benefit Saddle Road but may not directly benefit clients’ accounts. Many of these products and services may be used to service all or some substantial number of Saddle Road’ accounts, including accounts not maintained Schwab.

Schwab's products and services that assist Saddle Road in managing and administering clients' accounts include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Saddle Road's fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Saddle Road manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or part of the fees of a third-party providing these services to Saddle Road. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Saddle Road personnel. While as a fiduciary, Saddle Road endeavors to act in its clients' best interests, Saddle Road's recommendation that clients maintain their assets in accounts at Schwab may take into account availability of some of the foregoing products and services and other arrangements not solely on the nature of cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Client Directed Brokerage

Clients are allowed to select the broker-dealer that will be used for their accounts. Clients directing the use of a particular broker/dealer or other custodian must understand that we may not be able to obtain the best prices and execution for the transaction. Under a client-directed brokerage arrangement, clients may receive less favorable prices than would otherwise be the case if the client had not designated a particular broker/dealer or custodian. Directed brokerage account trades are generally placed by Saddle Road after effecting trades for other clients of Saddle Road. In the event that a client directs Saddle Road to use a particular broker or dealer, Saddle Road may not be authorized to negotiate commissions and may be unable to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct Saddle Road to use a particular broker or dealer versus clients who do not direct the use of a particular broker or dealer.

Block Trading Policy

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Saddle Road believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Saddle Road uses the average price allocation method for transaction allocation. Under this procedure Saddle Road will calculate the average price and transaction charges for each transaction included in a block order and assign the average price and transaction charge to each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which Saddle Road or our supervised persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our supervised persons receive any additional compensation as a result of block trades.

Item 13 – Review of Accounts

Account Reviews and Reviewers

The underlying securities within our portfolios are regularly monitored. These reviews are made by Rich Jarvis. Accounts are reviewed quarterly at a minimum and will typically be reviewed more frequently. For example, accounts are reviewed: (1) when a decision has been made regarding a security held in the account, such as the purchase, liquidation or corporate action impacting a security position, (2) when prompted by client communication, (3) when notified of a contribution or withdrawal of an asset or assets, (4) when a decision has been made to alter the asset allocation, (5) or at the discretion of the portfolio manager.

Statements and Reports

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian. Additionally, Saddle Road may provide performance reports to you quarterly and upon request. We also provide written communications each quarter and more often as situations warrant.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

Item 14 – Client Referrals and Other Compensation

Saddle Road does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. Saddle Road receives no other forms of compensation in connection with providing investment advice.

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 advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see *Item 12 – Brokerage Practices*). The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds

and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Saddle Road is deemed to have custody of client funds and securities whenever Saddle Road is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Saddle Road maintains. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Saddle Road is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Saddle Road. When clients have questions about their account statements, they should contact Saddle Road or the qualified custodian preparing the statement.

Item 16 – Investment Discretion

When providing asset management services, Saddle Road maintains trading authorization over your Account and can provide management services on a **discretionary** basis. Discretionary authority must be granted by you in our client agreement for services. Discretionary authority permits us to have the authority to determine the type of securities and the amount of securities that can be bought or sold for your portfolio without obtaining your consent for each transaction..

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Saddle Road so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

Saddle Road does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your choice as to whether you vote, or do not vote, proxies for securities held in your Account(s). Should Saddle Road feel that a proxy issue for a security held in your Account(s) should be voted in a particular manner, we will contact you regarding that proxy issue.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

Item 18 – Financial Information

This *Item 18* is not applicable to this brochure. Saddle Road does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to

include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, Saddle Road has not been the subject of a bankruptcy petition at any time.

Customer Privacy Policy Notice

Regulation S-P, Privacy of Consumer Financial Information, requires financial institutions, including Saddle Road Partners, LLC to provide notice to current clients and prospective clients about their policies and practices concerning the collection and use of customer, non-public information. This privacy policy notice is given to all prospective clients of Saddle Road Partners upon entering into a contract with Saddle Road Partners and annually thereafter.

Privacy Disclosure Statement. A primary goal of Saddle Road Partners is to protect the privacy of its clients. Saddle Road Partners does not sell the personal information of clients to anyone.

To conduct regular business, Saddle Road Partners may collect non-public personal information from clients. This information is provided by clients to Saddle Road Partners on applications and other forms provided by clients to Saddle Road Partners as well as transactions with the firm, our affiliates, or others.

Saddle Road Partners may enter into contracts with outside third parties so that Saddle Road Partners can assist its clients in servicing their accounts. In order to do this, Saddle Road Partners will disclose personal information to companies that help Saddle Road Partners process transactions for client accounts (for example, executing client trades through a broker/dealer). However, Saddle Road Partners does not share or disclose any non-public customer information except as allowed or required by law. In addition to sharing information in order to provide financial services to clients, Saddle Road Partners may be required to disclose personal information to cooperate with regulators or law enforcement authorities, to resolve customer disputes or for risk control.

Information Safeguarding. Saddle Road Partners has implemented strict policies and procedures aimed at protecting the sensitive nature of client information. Saddle Road Partners restricts access to client information to only those members of Saddle Road Partners that must provide products and services to clients in order to service client accounts. Saddle Road Partners has implemented physical, electronic, and procedural safeguards aimed at meeting Saddle Road Partners' duty to protect non-public client information.

If you have any questions concerning Saddle Road Partners' customer privacy policy or concerns about your personal information please feel free to contact us at the phone number listed on the cover page of this brochure.

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