

Form ADV: Part 2A

Part 2A: The Brochure: This brochure discloses information about the qualifications and business practices of the investment management firm named below for the benefit of its clients and prospective clients. If you have any questions about the contents of this brochure, please contact us as provided below. This format is dictated by new regulations issued by the Securities and Exchange Commission.

Item 1: Cover Page

SAGE  
Investment  
Management

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Business Hours: Monday- Friday 8:00 a.m. - 4:00 p.m.

Please note that this brochure has not been approved by the Securities and Exchange Commission or any state securities authority. Registration of an investment advisor does not imply any level of skill or training.

Item 2: This brochure is written in the new disclosure format. However, there have been no material changes since the last updated ADV Part 2 in the prior format.

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### Item 4: Advisory Firm's Business

SAGE Investment Management was founded in 1988. Our sole business activity is the investment management of stock, fixed income and balanced portfolios for individuals, corporations and charities. There is no co-mingling of assets. Every client has an individual account domiciled at a broker or banker.

We are currently registered with the Securities and Exchange Commission. We have a pending application with the state of California. When approved we will withdraw from SEC Registration.

Our firm's principal and sole owner is Michael F. O'Neill, President and Chief Investment Officer. He has 45 years of professional asset management experience with Putnam Management Company, G.T. Capital Management and Sage Investment Management. He possesses a MBA from Harvard Business School; AB from University of Pennsylvania; and CFA (1979).

The firm has approximately \$25.6 million in client assets under management.

## Item 5: Fees and Compensation

The sole source of SAGE Investment Management's revenues is the asset management fees charged quarterly on the value of the portfolios and on a pro-rata basis. The annual fees are:

### Equity

1.0%.....	First \$2,000,000
0.75%.....	Next \$2,000,000
0.50%.....	Over \$4,000,000

### Fixed Income

0.50%.....	First \$2,000,000
Negotiable.....	Over \$2,000,000

### Balanced

0.75%.....	First \$2,000,000
0.625%.....	Next \$2,000,000
Negotiable.....	Over \$4,000,000

There are no other fees charged by SAGE Investment Management.

## Item 6: Performance-Based Fees and Side by Side Management

We have no performance-based fees and no conflict with Side by Side Management, which is jargon for portfolio management of performance-based portfolios and non-performance-based portfolios by the same manager or team.

## Item 7: Types of Clients

We have three types of clients:

- Individuals
- Corporations
- Charities

The minimum account size is \$250,000. If the client has multiple accounts aggregating in excess of \$250,000 we will accept that arrangement. Similarly if a client will increase the account size to \$250,000 or more within one year, we will accept the accounts. SAGE Investment Management, at its discretion may accept accounts below the \$250,000 minimum.

#### Item 8: Methods of Analysis/ Investment Strategies and Risk of Loss

An advisor must describe its method of analysis and investment strategies in formulating the selection of securities and construction of portfolios. Investing in securities involves the risk of loss. Past performance of securities, portfolios, and strategies are not indicative of future performance.

Our method of analysis encompasses traditional assessments of company prospects, income statements, cash flow, and balance sheets. Information is provided from company documents, brokerage research reports, and other public sources of information as well as management statements. This is commonly characterized as fundamental analysis.

We also examine the technical aspect of stocks and markets. There are a number of research sources for this application: technicians, stock charts, Investor's Business Daily, etc.

As the events of 2007-2009 proved there can be unforeseen systemic risks in the financial markets which can undermine even the most rigorous fundamental and technical approaches, resulting in temporary and permanent losses to principal values.

Our approach is long-term in nature resulting in low turnover portfolios with higher than average tax efficiency for taxable accounts and lower than average brokerage costs. Financial events might occasion temporary changes in that approach.

The stocks and bonds comprising our portfolios are generally considered conservative with lower risk attributes. However, individual securities may have risk attributes higher than the overall portfolio. Nevertheless, our emphasis on large capitalization, dividend paying stocks generally results in less volatile portfolios. On the fixed income side, we do not purchase high yield bonds ("junk bonds") for our clients. This minimizes credit risk.

#### Item 9: Disciplinary Information

Neither SAGE Investment Management nor individuals employed by SAGE Investment Management have been involved in any material or immaterial disciplinary events since the inception of the firm in 1988.

#### Item 10: Other Financial Industry Activities and Affiliations

Neither SAGE Investment Management nor any of its employees are actively or passively involved with any other financial firms, activity, or business.

#### Item 11: Code of Ethics

Since the inception of the firm (1988), we have had a published code of ethics disclosed to all employees, and clients if desired.

Generally, SAGE Investment Management and its employees can engage in no activity by commission or omission that would disadvantage the clients of SAGE Investment Management and/or advantage SAGE Investment Management and its employees to the detriment of its clients. No stocks or bonds may be purchased by employees of SAGE Investment Management prior to their purchase for clients. The same applies to sales.

The code of ethics contains more specifics and is available on request by clients. Included in our code of ethics is a privacy covenant for the protection of client information. However the SEC, IRS, or other regulatory agency may request information that we may legally be bound to supply. Dissemination of information to another third party must be authorized by the client.

#### Item 12: Brokerage Practices

We do not effect brokerage commissions to secure research or other soft dollar benefits. We receive no benefits, monetary or otherwise, from any brokerage transaction. We suggest the client select a broker to their liking. On occasion we have informed clients of potentially egregious fees emanating from certain brokers and its negative impacts on returns.

We receive no product or services from any broker in exchange for brokerage commissions. We receive no broker referrals from any broker in exchange for commissions.

We do not require any clients to direct transactions through a specified broker-dealer.

We normally do not aggregate trade orders as each client has related specific Investment objectives and risk profiles. Trade aggregation is used if in the interest of the involved clients and best execution considerations.

#### Item 13: Review of Accounts

We review client accounts every week. The chief investment officer reviews the actual holdings of all portfolios assessing the prospective continuation of the fundamentals.

The ongoing volatility of economic and macro events will often dictate a more frequent review procedure. We provide quarterly reports to all clients with a cover letter. All clients are encouraged to contact SAGE Investment Management if concerns or questions arise.

#### Item 14: Client Referrals and other Compensation

We provide no compensation to anyone outside SAGE Investment Management for client referrals.

#### Item 15: Custody

We hold no client securities. All accounts are domiciled at brokers or banks chosen by the client.

#### Item 16: Investment Discretion

We accept only discretionary accounts. The client delegates to SAGE Investment Management through a limited power of attorney, the discretion to solely buy or sell securities for the client portfolios. This delegation permits this activity without prior consultation with the client. SAGE Investment Management may take action or in-action as it deems appropriate. SAGE Investment Management is not authorized to withdraw any money, securities, or other property either in the name of the client or otherwise. SAGE Investment Management is free to make investment changes regardless of the resulting rate of portfolio turnover when it, in its sole discretion shall determine that such changes will promote the investment objective of the account.

Before the client executes a limited power of attorney, SAGE Investment Management discusses with the client the implications of this delegation. They are made aware that they are delegating this important fiduciary responsibility to SAGE Investment Management.

#### Item 17: Voting Client Securities

We do not accept the responsibility to vote on proxy statements. These are sent directly to the client for them to exercise the voting authority. The client receives the proxy material from the broker or bank that custodies their assets.

We do not provide advice to clients as to how to vote proxies. We will not act on behalf of clients to vote proxies.

Item 18: Financial Information

We do not engage in any custodial or fee payment activity requiring disclosure of SAGE Investment Management financial information. We exceed the minimum financial requirements of California.

Item 19: Requirements for State-Registered Advisors.

Sage Investment Management

Part 2B of Form ADV

The Brochure Supplement

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925-284-3034

March 29, 2017

Michael F. O'Neill  
President and Chief Investment Officer  
Date of Birth: April 1, 1947

Michael O'Neill has been an investment manager since 1973.  
He graduated from Harvard Business School, MBA.  
University of Pennsylvania, AB and Chartered Financial Analyst.

Disciplinary Information:

Mr. O'Neill has not been involved in any disciplinary (material or immaterial) action since inception of SAGE, May 1988.

Other Business Activity:

Mr. O'Neill is not involved in any other business activity.

Additional Compensation:

Mr. O'Neill receives no compensation from any other person or entity.

Supervisor:

Mr. O'Neill is the Chief Compliance Officer of SAGE Investment Management.