



## Form ADV Part 2 Firm Brochure

### Effective: September 21, 2017

This Brochure provides information about the qualifications and business practices of Sage Capital Advisors, LLC doing business as Dyer Wealth Management. If you have any questions about the contents of this Brochure, please contact us at (858) 459-0172.

Sage Capital Advisors, LLC is a registered investment adviser registered with the United States Securities and Exchange Commission ("SEC"). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Adviser does not imply any specific level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Dyer Wealth Management and its advisory persons are available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### Sage Capital Advisors, LLC dba Dyer Wealth Management

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SEC File No. 801-64637

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## **Item 2: Material Changes**

On July 28, 2010, the U.S. Securities and Exchange Commission voted unanimously to adopt amendments to Part 2 of Form ADV and related rules under the Investment Advisers Act of 1940 (the "Advisors Act"). The amendments are designed to require a registered investment adviser to provide Clients with a clearly written and meaningful disclosure, in plain English, about the advisor's business practices, conflicts of interest and advisory personnel. The new Form ADV 2 is divided into two parts, Part 2A and Part 2B. Part 2A of the new Form (the "Firm Brochure") provides information about a variety of topics relating to an adviser's business practices and conflicts of interest. Part 2B of the new Form (the "Brochure Supplement") requires an adviser to provide information about certain advisory personnel.

We believe that communication and transparency are the foundation of our relationship and continually strive to provide you with complete and accurate information at all times. We encourage all current and prospective investors to read this Firm Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### **Summary of Changes**

The date of the last annual update was December 19, 2016.

Summary of Material Changes since the last update are:

1. Subadvisory service was eliminated.
2. Soft dollar disclosure language clarification.
3. Solicitor disclosure language clarification.
4. Proxy voting disclosure language clarification.

At any time, you may view the current Firm Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for Dyer Wealth Management,

- Click **Investment Adviser Search** in the left navigation menu and enter.
- Select the option for Investment Adviser Firm and enter **136577** (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number".
- ADV Part I will be displayed.
- On the left navigation, Form ADV Part 2A is located near the bottom.

You may also request a copy of this Firm Brochure at any time, by contacting us at (858) 459-0172.

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## Item 4: Advisory Services

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### **A: FIRM INFORMATION**

Sage Capital Advisors, LLC is a registered investment advisor with the United States Securities and Exchange Commission. Dyer Wealth Management is a fictitious business name of Sage Capital Advisors, LLC a limited liability company formed in the State of Nevada. The principal owners of Sage Capital Advisors, LLC are Matthew Johnson and Diana Blair, with each owning a 50% stake in Sage Capital Advisors, LLC. Mr. Johnson's stake is owned via a privately held firm, Sage One Ltd. Ms. Blair's stake is also owned via a privately held firm, D Blair Corporation. Sage Capital Advisors, LLC has been in continuous operation since 2005.

### **B: ADVISORY SERVICES OFFERED**

1. **Investment Management Services** We provide continuous, active management of client investment portfolios. We have developed a proprietary client service model that includes discovery, planning, implementation and monitoring components.

- *Client Discovery* - Upon entering into an advisory agreement, we will draft, and the Client will sign, a statement of Investment Guidelines. This statement will be based upon conversations and information collected during the interview stage. We will collect information concerning the Client's financial status, goals, and assets, among other things.
- *Investment Plan* - Based on the information provided by the Client, we may furnish the Client with an "Investment Policy Statement" and/or Client Profile as necessary, which summarizes the Client's current investment portfolio, investment goals and objectives, and risk tolerance level. Additionally, a formal financial plan may be completed to supplement.
- *Portfolio Design and Implementation* - Upon completion of this investment objective information, we will design the Client's investment portfolio, implementing an investment plan for the Client. In designing a portfolio, we do not adhere to rigid models or benchmarks. Every portfolio is constructed based solely on each Client's objectives and financial profile.
- *Investment Monitoring and Maintenance* - We will continuously monitor investment portfolios to ensure that the portfolio meets the Client's goals and objectives. Further, we monitor each Client portfolio in order to ensure they are invested in accordance with our firm-wide investment guidance and economic outlook.

It is the Client's responsibility to notify us promptly, in writing, of any change to the information provided by Client, including any change to any investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions. We will honor Client restrictions unless those restrictions impair our ability to manage Client assets.

Accounts are typically managed on a discretionary basis. We may offer non-discretionary services as well. For more on our discretionary authority, please see Item 16 below.

2. **Consulting Services** We may offer investment consulting services on assets not managed by our firm. Consulting advice may be in regard to a security, business transaction, consulting arrangement or any other issue about which the principals of our firm feel they may be able to render an expert opinion.
3. **Managed Account Programs** We may enter into agreements with various managed account programs sponsored by the Client's designated third-party custodian. Under these agreements,

the managed account programs have agreed to provide various types of money management programs and services to the Clients of our firm. All managed account programs utilized by our firm will be licensed as investment advisors by their resident state or with the United States Securities and Exchange Commission.

We will enter into agreements with managed account programs for the provision of client services. Our clients will enter into a direct contract with the managed account program. After gathering information about a Client's financial situation and investment objectives, we may select a managed account program depending on the money management services required by the Client. The compensation of both our firm and managed account programs is fully disclosed to each Client in the program. Fees for separately managed accounts will be deducted in addition to our advisory fee.

Each program's fees are established and payable in accordance with the Form ADV Part 2 or other equivalent disclosure document of each managed account program. Fees for these programs may or may not be negotiable.

4. **Financial Planning Services** We provide financial planning and consulting services. Financial planning services are rendered via a proprietary service methodology. A financial plan may include a review of a Client's net worth (including assets and liabilities), objectives, risk tolerance, risk capacity, cash flow and expenses, income tax analysis, review and analysis of fringe benefits, retirement forecast and probability analysis, educational funding analysis, estate planning analysis and risk management review. Our approach to providing this service starts with gathering current financial and subjective information. We assess Client's goals, objectives, time horizon, and risk tolerance to compare where the Client is today in relation to the attainment of their stated goals. A financial plan thereafter is prepared to discuss the Client's situation, along with various alternatives for consideration. At the end of the process, the Client will receive an education about the alternatives recommended.

We entrust that the Client will provide accurate information and we will not be obligated to verify any information received from the Client. If requested by the Client, we may recommend the services of other professionals for purposes of implementing certain aspects of the financial plan. Clients are under no obligation to engage the services of any such recommended professional. Clients retain absolute authority over all implementation decisions and are free to accept or reject any recommendation from us.

Moreover, Clients are advised that it remains their responsibility to promptly notify us if there is ever any change in their financial situation during the financial planning process.

5. **Investment Management for Plan Participants and Plan Sponsors** We represents that we are a registered investment advisor and qualify as an Investment Manager under Section 3(38) of The Employee Retirement Security Act ("ERISA"), and that we are a fiduciary to the plan as defined by ERISA. As a 3(38) Investment Manager we are authorized by the client to exercise the firms' best judgment in investing, selling and reinvesting securities in the account at its discretion.

In no case will we hold any assets of the plan but rather they are held by an independent custodian selected by the client. As Investment Manager, we accept the fiduciary duty and therefore fiduciary legal liability to:

1. Create an investment policy statement;
2. Create an investment line up;
3. Monitor the investment lineup and provide quarterly reporting; and
4. Replace funds as necessary.

As 3(38) Investment Manager, we shall have discretion over the establishment of the plan's investment policy, prudent selection, monitoring, removal and replacement over

the plan's investment options.

### **C: CLIENT ACCOUNT MANAGEMENT**

Prior to engaging our firm to provide investment advisory services, the Client is required to enter into an investment management agreement with us setting forth the terms and conditions of the engagement and the services to be provided. These services may include:

- a. Selecting Investment Securities We will utilize a proprietary securities analysis methodology (described in Item 8 below) in order to determine securities deemed suitable for investment by our Clients.
- b. Portfolio Construction We will implement its security recommendations on a discretionary basis. That is, we may purchase and sell securities in a Client's without obtaining specific Client consent. Non-discretionary services are also available. We will use the services of a discount broker-dealer to provide account custodial services and to affect trades.
- c. Ongoing Investment Monitoring We provide ongoing oversight of the Client's investment program. All investments are monitored for performance relative to certain benchmarks and our expectations.

### **D: WRAP FEE PROGRAMS**

We do not manage any proprietary wrap fee programs.

### **E: ASSETS UNDER MANAGEMENT**

As of June 30, 2017, our assets under management are as follows:

Discretionary Assets	\$218,501,274
Non-discretionary Assets	\$48,608,126
<b>Total</b>	<b>\$267,109,400</b>

## **Item 5: Fees and Compensation**

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The following paragraphs detail the fee structure and compensation methodology for investment management services. Each Client shall sign an Investment Management Agreement that details the responsibilities of our firm and the Client.

### **A: FEES FOR ADVISORY SERVICES**

1. Investment Management Services Our fee for investment advisory services varies based on the amount of assets managed by our firm. Typically, fees are a fixed percentage of the assets under management. This fee includes all investment recommendations and portfolio implementation, unless the client contract states otherwise.

The fees for investment advisory services are billed on a tiered fee schedule. Family accounts may be combined for calculating breakpoints; some clients may pay a flat fee in lieu of the assets under management fee.

<b><i>Tiered Annualized Investment Management Fees</i></b>	
<b><i>Account Value</i></b>	<b><i>Annual Percentage Fee</i></b>
On the First \$500,000	1.5%
On the next \$500,000 (\$500k-\$1 Million)	1.25%
On the next \$1,000,000 (\$1Million- 5 Million )	1.0%
All assets over \$5 Million	Negotiable
Minimum Annual Fee	\$2500.00

We may permit exceptions to its fee policies. Such negotiated fees are approved on a case-by-case basis by the principals of our firm. The determining factors regarding a negotiated fee are; the relative complexity of the Client situation, size of the portfolio and the scope of services to be provided. In all cases, the Client's fee will be agreed upon in advance and indicated in the Client Agreement.

2. Consulting Fees and Financial Planning Services Clients may engage our firm on an hourly-fee basis. Hourly fees are usually charged for various consulting services a client may request. Hourly fees are \$175/hour or a pre-determined flat fee starting at \$1,000.
3. Investment Management for Plan Participants and Plan Sponsors Our fee for investment advisory services for plan participants and plan sponsors varies based on the amount of assets managed by our firm. Typically, fees are a fixed percentage of the assets under management. This fee includes all investment recommendations and portfolio implementation, unless the client contract states otherwise.

Sage Capital Advisors, LLC  
Retirement Plan Advisory Fee Schedule

Total Assets		Annual Fees
\$0	\$499,999	0.80%
\$500,000	\$9,999,999	0.70%
\$10,000,000	\$14,999,999	0.60%
\$15,000,000	\$24,999,999	0.50%
\$25,000,000	\$49,999,999	0.40%
\$50,000,00	and above	0.30%

The fees for investment advisory services for plan participants and plan sponsor's services are billed on a tiered fee schedule. Family accounts may be combined for calculating breakpoints; some clients may pay a flat fee in lieu of the assets under management fee.

We may permit exceptions to its fee policies. Such negotiated fees are approved on a case-by-case basis by the principals of our firm. The determining factors regarding a negotiated fee are; the relative complexity of the Client situation, size of the portfolio and the scope of services to be provided.

In all cases, the Client's fee will be agreed upon in advance and indicated in the Client Agreement.

## **B: FEE BILLING**

1. Asset-Based Fee Fees are a fixed percentage of assets under management, based upon the account value on the last day of the prior period. Fees for investment management services vary depending on the amount of assets to be managed. Clients are invoiced quarterly in advance for advisory

services. For accounts opened during the quarter, the first payment shall be prorated to cover the period from the date the account is opened through the end of the next full quarter.

Asset-based management fees will be automatically deducted from the client account by the Custodian. We shall send a quarterly invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account. The amount due is calculated by applying the annual rate in the table above to the total assets under management with our firm at the end of each calendar quarter.

Clients will receive independent statements from the Custodian no less frequently than quarterly. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility.

2. Consulting and Financial Planning Fees Clients paying by an hourly fee will be billed in arrears monthly, or upon completion of the work agreed to by the contract. Hourly fees are documented during the project work and the Client will receive an invoice for the fee.

### **C: OTHER FEES AND EXPENSES**

Clients may incur certain fees or charges imposed by third-parties, other than our firm, in connection with investments made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the Custodian and executing broker-dealer. The investment advisory fee charged by us is separate and distinct from these Custodian and execution fees. In addition, all fees paid to our firm for Investment Advisory Services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee.

A Client may be able to invest in certain investments, without our services, but would not receive access to Advisor and Institutional shares classes. The Client also would not receive the services provided by our firm which are designed among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial condition and objectives. Accordingly, the Client should review both the fees charged by the fund(s) and the fees charged by us to fully understand the total fees to be paid.

### **D: ADVANCE PAYMENT OF FEES AND TERMINATION**

1. Advance Fees Clients pay advisory fees in advance.
2. Termination Clients may request to terminate their Investment Management Agreement with our firm, in whole or in part, by providing advance written notice.

The Client shall be responsible for investment advisory fees up to and including the effective date of termination. We will refund any unearned, prepaid fees, if any.

The Client's Investment Management Agreement with us is non-transferable without Client's written approval. Clients may terminate the Investment Management Agreement without penalty (full refund or no fees due) within five (5) business days of signing the Agreement if the Form ADV Part 2 was not delivered at least 48 hours prior to client's execution of the Agreement. We shall not impose any start-up, closing or penalty fees in connection with the account. Clients may be assessed closing fees by the accounts' custodian.



## **E: COMPENSATION FOR SALES OF SECURITIES**

We do not receive commissions or any compensation for transactions in any Client account. As a fee-only advisor, we are paid only on the advice and investment management provided to Clients based on the assets under management in the Client's account(s).

### **Item 6: Performance-Based Fees**

#### Performance-Based Fees

We do not currently charge performance-based fees for any Client. If we enter into such an arrangement, full disclosure will be made in this section.

#### Side-By-Side Management

We do not currently manage any proprietary investment funds (for example, a mutual fund). If we enter into such an arrangement, full disclosure will be made in this section.

### **Item 7: Types of Clients**

We may provide services to a variety of client types. However, our clients will typically fall into one of the following categories:

- Individuals, Families, Personal Trusts and Estates - Private investors, investing personal assets
- Pension and Profit Sharing plans - Generally organized as a trust, investing the assets of plan participants
- Corporate Executives and Business Owners

For accounts governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), we acknowledge that we are a fiduciary to the plan under Section 3(38) of ERISA. In providing its services, the sole standard of care imposed upon us is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.

We provide customized services to meet the unique needs of each Client. Additional details are contained in Item 4 - Advisory Services.

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

Individual investments are chosen based upon a due diligence process; which involves in-house valuation, third party reporting and portfolio monitoring. We typically do not constrain our investments to a benchmark as it relates to weighting, capitalization, country of origin, or valuation parameters. We may utilize benchmarks if we consider it material to a particular client's investment strategy.

#### **A: METHODS OF ANALYSIS**

DWM methods of analysis include macroeconomic analysis, fundamental and technical analysis.

##### **1 Macroeconomic Analysis**

Macroeconomic analysis involves taking a top down approach to global and domestic valuations, trends

and themes. Then making investment decisions based on which underlying assets classes and or sectors are demonstrating strength or weakness opportunities.

## 2 Fundamental Analysis

We use fundamental analysis in making investment decisions with respect to investment securities. Fundamental analysis is the process of analyzing a company's financial value through ratio analysis utilizing quarterly financial data provided by the individual company. This technique looks at both the absolute and relative performance of the company's financial health and prospects. We utilize fundamental analysis to provide insights on the trends in the individual business as well as comparative strengths versus other companies in the industry. These criteria are usually ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed.

### 1. Technical Analysis

Technical analysis is used for analyzing various economic, price and market trends. These trends both short- and long-term, are used for determining specific trade entry and exit points in conjunction with fundamental analysis. These trends may include put/call ratios, pricing trends, moving averages, volume, changes in volume, and point and figure charts among many others. These indicators do not speak to the financial health of a particular issuer but instead focus on price action. Indicators are also used to gauge overall market sentiment and risk levels.

### 2. Mutual Funds/Outside Managers

Although the focus of our investment methodology is individual issues, mutual funds may be used in certain portfolios. We may use various databases of information in order to facilitate the discovery process on each mutual fund investment manager utilized by our firm.

We may invest certain clients' assets with independent managers that pursue investment strategies that may be complimentary to our investment strategies or better fulfill the client's investment objectives. These managers may be diversified among multiple strategies, asset classes, regions, industry sectors and securities. We consider both quantitative and qualitative factors when evaluating outside managers including:

#### Expense Ratios and Fees

- Manager Tenure
- Manager adherence to portfolio guidelines and investment philosophy
- Performance relative to an appropriate benchmark and peer groups
- Legal and/or other regulatory proceedings that may affect manager
- Material changes in organization, investment philosophy and/or personnel
- Risk management process
- Relative performance during various time periods and market cycles
- Experience and training of staff investment professionals
- Portfolio management capabilities
- Any other factor deemed appropriate by our firm including previous experience.

## Equity/Fixed Income/Mutual Fund/Money Market Fund Strategies

We will typically manage accounts using individual equities or ETF's. These securities are selected for inclusion in a portfolio by way of the methods described above. We may also choose to invest client money in fixed income instruments, mutual funds, money market funds and, where appropriate, real estate limited partnerships or alternative investments.

## Tactical Strategies

We manage or use third party managers to provide additional investment strategies These include equity and exchange traded funds (ETF) strategies. When utilizing a tactical strategy, total return objectives may change over the course of a market cycle based on market conditions. This objective can change from high to low risk.

## **B: RISK OF LOSS**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. We will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

## **Item 9: Disciplinary Information**

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Our firm and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner.

Background information is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

- To review the firm information for our firm, click **Investment Adviser Search** in the left navigation menu.
- Select the option for Investment Adviser Firm and enter **136577** (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number".

This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions.

There are no legal or disciplinary events that are material to the evaluation of our advisory business or the integrity of our management.

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

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Our sole business is providing investment advisory services and is not engaged in any other business endeavor. We maintain no affiliations with other firms outside of contracted service providers and those to which our firm provides contracted services.

Some Investment Advisor Representatives of our firm, may serve as sales agent for various insurance companies. This activity is done separate and apart from their roles as employees of our firm. These Investment Advisor Representatives may receive customary commissions and other related revenues from the various insurance companies whose products they sell. Some compensation may be in the form of sales incentives. Commissions generated by insurance sales do not offset regular advisory fees. Sage Capital Advisors, LLC does not receive any portion of the commissions, other related revenues, or sales incentives. Clients should be aware that the receipt of commissions and sales incentives causes a conflict of interest when recommending certain products of the

insurance companies. Clients are under no obligation to purchase any insurance products that are recommended.

## **Item 11: Code of Ethics, Participation in Client Transactions & Personal Trading**

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### **A: CODE OF ETHICS**

We have implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with our firm. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. Our firm and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of our associates to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes and amendments to Form ADV and supervisory procedures.

We have written our Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (858) 459-0172.

### **B: PERSONAL TRADING AND CONFLICTS OF INTEREST**

We allow our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a potential conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures.

As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. The majority of our investing is in widely traded stocks. Given the volume of these stocks, it is unlikely that the trading of our employees to have any material impact on the stock being traded.

We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you. At no time, will our firm or any associated person of our firm transact in any security to the detriment of any Client.

We are a Fee-Only advisor, who, in all circumstances, is **compensated solely by the Client**.

We do not engage in any commissionable securities transactions, buying securities from or selling securities to its Clients.

As a Fee-Only registered investment advisor ("RIA"), we do not have a broker-dealer relationship and do not sell products of any kind to our Clients. However, as mentioned in Item 10, certain Representatives are licensed to transact insurance with advisory Clients in their separate capacity as sales agents for various insurance companies. Clients are under no obligation to purchase any insurance products that are recommended, and may use any insurance agent they choose.

## Item 12: Brokerage Practices

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### A: RECOMMENDATION OF CUSTODIAN(S)

We do not have discretionary authority to select the broker-dealer/custodian for custodial and execution services. The Client will select the broker-dealer or custodian (herein the "Custodian") to safeguard Client assets and authorize us to direct trades to this Custodian as agreed in the Investment Management Agreement. Further, we do not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis. Where we do not exercise discretion over the selection of the Custodian, it may recommend the custodian[s] to Clients for execution and/or custodial services. Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost associated with using a broker not recommended by our firm. We may recommend a Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the Custodian's offices.

We typically recommends to Clients that they established their brokerage account[s] at Institutional Services division of Fidelity Investments ("Fidelity") or Charles Schwab and Co., Inc. ("Schwab").

Fidelity and Schwab are independent and unaffiliated SEC-registered broker-dealers and FINRA members. Fidelity and Schwab offer independent investment advisor services, which include custody of securities, trade execution, clearance and settlement of transactions. We receive some benefits from Fidelity and Schwab through its participation in their programs.

We consider a number of factors in selecting and/or recommending brokers and custodians for its Clients' accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. We are not affiliated with, or related to, Fidelity or Schwab. All trading executed via Fidelity and Schwab is subject to a best execution review by our firm.

1. Soft Dollars Soft dollars are revenue programs offered by broker-dealers whereby an advisor enters into an agreement to place security trades with the broker in exchange for research and other services. **We do not participate in soft dollar programs sponsored or offered by any broker-dealer.**

That said, we receive, without cost to us, computer software and related systems support, which allow us to better monitor accounts. We receive software and related support without cost because our Clients maintain assets with these custodians. The software and related systems support benefits us, but may not benefit the Clients directly. Our receipt of these types of benefits from a custodian creates a conflict of interest since these benefits may influence our recommendation of one custodian over another that does not furnish similar software, systems support, or services. Additionally, we receive: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively service the custodians' respective institutional division participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to accounts; and access to an electronic communication network for order entry and account information.

Many of the above benefits are generally considered to be "soft dollar" arrangements. As a result of receiving such products and services for no cost, we have an incentive to recommend to Clients custodians that offer soft dollar arrangements. However, these types of arrangements are similar and common to the custodial relationships of other registered investment advisory firms in the industry. We periodically evaluate custodians to determine

whether the benefits we receive are reasonable in relation to the value of services provided to our Clients.

2. Brokerage Referrals We do not receive any compensation from Fidelity, Schwab or any other entity in connection with the recommendation for establishing a brokerage account.
3. Directed Brokerage - All Clients are serviced on a "directed brokerage basis", where we will place trades within the established account[s] at the custodian designated by the Client. Such custodian designation may be made in accordance with a recommendation by us, as noted above, or independently by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. Clients may use the custodian recommended our firm. In such cases, the recommendation of a specific broker-dealer will be in accordance with our duty to seek best execution.

If a Client uses a custodian of their own choosing and not recommended by our firm, we will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

When Clients direct the brokerage partner to be used, we may not achieve best execution and the Client may pay higher trade costs than would otherwise be available. Custodians chosen by the Client, and not recommended by our firm, are not subject to a best execution review.

We will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account). Cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]) may be executed when such trade is in the best interest of both parties. Prior to execution of a cross trade, we will obtain informed consent from both Clients. In no case will we receive any compensation related to the transaction.

## **B: AGGREGATING AND ALLOCATING TRADES**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. We will execute its transactions through an unaffiliated broker-dealer selected by the Client. We may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts.

## **Item 13: Review of Accounts**

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### **A: FREQUENCY OF REVIEWS**

Accounts are monitored on an ongoing basis by our firm for adherence to investment strategy and Client Objectives. Investment management and supervision over the securities contained in the Client's portfolio are performed in an ongoing basis by our firm, as applicable.

### **B: CAUSES FOR REVIEWS**

In addition to the investment monitoring noted in Item 13.A, each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify us if changes occur in his/her personal financial situation that might adversely

affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C: REVIEW REPORTS**

The Client will receive brokerage statements no less than quarterly from the Trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s].

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

### **A: COMPENSATION RECEIVED**

We are a Fee-Only advisor, who, in all circumstances, is **compensated solely by the Client**. We do not receive commissions or other compensation from product sponsors, broker dealers or any un- related third party. We may refer Clients to various third-parties to provide certain financial services necessary to meet the goals of its Clients. Likewise, our firm may receive referrals of new Clients from a third-party.

### **B: CLIENT REFERRALS FROM SOLICITORS**

If a Client is introduced to us by either an unaffiliated party or one of our affiliates, we may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the investment management fees earned by our firm, and shall not result in any additional charge to the Client. If the Client is introduced to our firm by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship.

To do so, the solicitor will provide each prospective Client with a copy of our Form ADV 2 (the written disclosure statement also known as the "Brochure") and a copy of the solicitor's written disclosure document and a statement to the Client disclosing the terms of the solicitation agreement between us and the solicitor, including the compensation to be received by the solicitor from our firm.

## **Item 15: Custody**

We do not accept or maintain custody of any Client accounts. All Clients must place their assets in a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct our firm to utilize that custodian for the Client's security transactions. The preferred custodians for our firm is the Institutional Services Division of Fidelity Investments and Charles Schwab and Co. Inc. Fidelity Investments and Charles Schwab and Co., Inc. are FINRA members. For more information regarding custodians and brokerage practices, see Item 12 -Brokerage Practices.

While we do not have custody of Client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds Client assets. In certain jurisdictions this may be deemed constructive custody. Prior to permitting direct debit of fees each Client provides written authorization permitting fees be made direct from the custodian.

The custodian sends every Client an account statement not less than quarterly showing all account activity, including the amounts disbursed from the account to our firm.



## **Item 16: Investment Discretion**

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### **A: DISCRETIONARY PORTFOLIO MANAGEMENT**

Any limitations imposed on the discretionary authority of our firm shall depend on the terms of the agreement governing our relationship with each Client. In those cases, where we have full discretionary authority over Client accounts and the client has not imposed any specific restrictions, we will generally have unlimited discretionary authority, without obtaining specific consent, to determine:

- Securities to be bought or sold
- Amount of the securities to be bought or sold

### **B: NON-DISCRETIONARY PORTFOLIO MANAGEMENT**

Non-discretionary portfolio management is understood to mean we must first get Client permission before placing any trades to buy or sell securities in a Client account. We are free to determine the timing of a particular transaction; however, permission must first be obtained from the Client. Clients should be aware that delays in granting permission for a transaction may hinder our ability to effectively manage a portfolio.

## **Item 17: Voting Client Securities**

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We will generally vote proxies on behalf of Clients. Exceptions are made for Clients who wish to vote their own proxies, or have retained the services of third-party to vote proxies on their behalf. Further, mutual funds retained by our firm may seek to vote proxies of portfolio holdings managed by that mutual fund. We have a fiduciary duty to act solely in the best interests of its Clients when exercising proxy voting authority. Our firm will vote client securities in a timely manner and make voting decisions that are in the best interests of Clients.

Every effort is made to vote proxies in a way which we believe will maximize the monetary value of each portfolio's holdings.

If at any time we believe that to vote a particular proxy in accordance with its policies and procedures would be contrary to the best interests of Client, we may, in its discretion, (a) elect not to vote that particular policy and provide the Client with the opportunity to vote the proxy directly, (b) vote the proxy in accordance with an independent third party voting recommendation, or (c) abstain from voting. We will not have any duty or obligation to advise or take any action on behalf of Client or Client's Account in any legal proceedings, including bankruptcies or class actions, involving securities held in or formerly held in the account or the issuers of securities.

## **Item 18: Financial Information**

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We are not required to provide financial information in this Brochure because:

- We do not require the prepayment of more than \$1,200 in fees and six or more months in advance.
- We do not take custody of client funds or securities.
- We do not have a financial condition or commitment that impairs our ability to meet contractual and fiduciary obligations to clients.
- We have never been the subject of a bankruptcy proceeding.