

**Item 1 – Cover Page****SAGE ADVISORS, LLC**

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October 4th, 2019

**WWW.SAGEADVISORSLLC.COM**

This brochure provides information about the qualifications and business practices of Sage Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (206) 516-7994 or [mhelke@sageadvisorsllc.com](mailto:mhelke@sageadvisorsllc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sage Advisors, LLC is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Sage Advisors, LLC is 301328.

Please note that the use of the term “registered investment adviser” and description of our firm and/or our associates as “registered” does not imply a certain level of skill or training. Clients are encouraged to review this brochure and any brochure supplements (“brochure supplements”) for more information on the qualifications of our firm and our associates.

**Item 2 – Material Changes**

In July 2019, we moved our offices from Seattle, WA to Edmonds, WA to the address listed above.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent brochures within 120 days of the close of our business' fiscal year. A Summary of Material Changes is also included with our brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Sage Advisors, LLC is 301328. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting Michael Helke, Chief Compliance Officer, at (206) 516-7994. Our brochure is provided free of charge.

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**Item 4 – Advisory Business**

- A** Sage Advisors, LLC is a Washington limited liability company founded in 2001. The firm is registered as an investment advisor with the SEC. It is owned by Russell D. Cole, Jordan Cole, and David Heia, and maintains its principal offices in Edmonds, Washington. Russell D. Cole is the firm's Manager.

The information contained in this brochure describes our investment advisory services, practices, and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our services to the needs of our clients. As used throughout this firm brochure, the words "we," "our," "firm," "Sage" and "us" refer to Sage Advisors, LLC, and the words "you," "your," and "client" refer to you as either a client or prospective client of our firm.

Prior to forming an investment advisor-client relationship, Sage may offer a complimentary general consultation to prospective clients to discuss the nature of its service offerings and to determine the possibility of a potential advisory relationship. Investment advisory services begin only after the prospective client and Sage formalize their relationship in a written agreement.

- B C** We offer a wide range of investment advisory services to our clients. Our investment advice is custom tailored according to your unique investment profile.

If you engage us for portfolio management services we generally require that you grant us discretionary authority authorizing our firm to implement our investment recommendations directly within your account, including the authority to (i) select the securities to buy and sell; (ii) the amount of securities to buy and sell; (iii) determine when to buy and sell securities; and (iv) take all other actions necessary or incidental to the execution of such transactions; all for your account and risk and without obtaining specific consent from you for each transaction. You will provide this authorization to us in our written advisory agreement and in the account opening agreement with the independent custodian/broker-dealer of your account. In general, you may limit our discretionary authority (for example, limiting the types of securities that can be purchased or sold for your account) by providing our firm with your restrictions and guidelines in writing. While we generally attempt to accommodate such investment restrictions, we may not be able to accommodate such requests where the client's assets are invested in any Model Portfolios or with any sub-advisors, since we may not control at least some portion of the specific holdings or allocations within the model, nor the types of securities that can be purchased within the model managed by such sub-advisor(s).

A description of the individual investment advisory services offered by our firm is set forth below.

Portfolio Management. Our firm offers ongoing discretionary portfolio management services that are uniquely tailored to your financial circumstances. Through periodic consultations with you, we will gather information regarding your financial goals, investment objectives, tolerance for risk, and the time horizon for your investments. The information we typically request in this process will include your current and expected income level, tax information, investment experience, current portfolio construction/asset allocation, and risk tolerance level, among other items. Based on our analysis of these factors, we will then recommend an investment portfolio intended to align with your unique financial situation and goals.

Client portfolios are typically constructed utilizing a diversified combination of mutual funds, exchange traded funds (“ETFs”), individual bonds, stocks and other listed securities, via the implementation of certain proprietary model portfolios (“Model Portfolios”) designed by our firm. In some circumstances, our Model Portfolios may also incorporate the use of separately managed accounts managed by independent third party sub-advisors. You authorize our use of such sub-advisors in our written advisory agreement and/or in the account opening documents provided by the independent custodian of your assets. Irrespective of the use of any sub-advisors, we always maintain the advisor-client relationship directly with you.

Our Model Portfolios and the investment strategies we utilize have generally been designed for investors with varying degrees of risk tolerance ranging from a more aggressive investment strategy to a more conservative approach. Factors that we take into consideration when determining whether any particular Model Portfolio or investment strategy is appropriate for your account include, without limitation, the Model Portfolio or investment strategy’s investment goal, underlying holdings, and your financial needs, investment goals, risk tolerance, and investment objectives.

Following implementation of your initial investment portfolio, we will monitor the performance of your account on an ongoing basis and implement changes within your account as needed or appropriate, in consideration of current economic conditions, our market opinions and assumptions, and your individual financial circumstances and goals. It is the client’s ongoing responsibility to advise us in writing of any material changes to the client’s financial circumstances.

As part of our efforts to provide a robust and comprehensive financial resource to our clients, portfolio management clients may also receive complimentary financial planning services as described below.

Financial Planning Services. Our firm offers stand-alone traditional financial planning services to clients which, at the option of the client, may address some or all of the following topics: (1) financial, budgeting and cash management; (2) risk management, insurance planning, and analysis (3) financial planning relating to divorce and marriage (4) estate planning; (5) taxation issues and tax planning; (6) retirement planning; (7) investment planning/asset allocation/portfolio design; (8) educational funding; (9) account

monitoring; and (10) investment goal setting. Through consultation(s) with the client, we will assist you in identifying areas of potential financial concern and provide you with a discrete set of short and/or long-term financial goals and actions designed to address such concerns. Our recommendations will take the form of a written report delivered to you at the conclusion of the engagement.

Assuming that all the information and documents requested from the client are provided promptly, stand-alone financial planning engagements are typically completed within 30-60 days of the client signing a written agreement for services with our firm. Once we have delivered our final set of recommendations/written financial plan to you we will only update the same upon your specific request and upon your subsequent engagement of our firm and payment of a new advisory fee. Implementation of our recommendations will be at the exclusive discretion of the client and may be completed by our firm, at your option, for an additional cost.

As part of our financial planning services, we may recommend the use of certain third-party professionals to assist you in implementing our recommendations. These third-parties may include, without limitation, attorneys, certified public accountants, and insurance agents. You are advised that Sage is not a law firm, accounting firm or insurance agency, and further that no portion of our advice should be construed as legal or tax advice. Clients may elect to engage such recommended third-party professionals at their own discretion and risk. All fees paid to such third parties are separate and in addition to our advisory fees and are independently negotiated, together with all other terms and conditions of the third party engagement, between the client and the third party provider.

Pension Consulting Services. We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review, formulation of the investment policy statement, asset allocation advice, money management services, investment performance monitoring, on-going consulting and communication and education services. Upon request, we will assist the plan sponsor in providing meaningful information, education, and seminars regarding the retirement plan to plan participants.

NOTE: Certain plans we may provide services to are regulated under the Employee Retirement Income Securities Act of 1974 (“ERISA”). We will provide pension consulting services to the plan sponsor and/or fiduciaries as described above for the fees set forth in Item 5 of this brochure. The consulting services we provide are advisory in nature. In providing services to any plan and its underlying participants, our status is that of an investment adviser registered under the Investment Advisers Act of 1940. We are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the Plan as defined in Section 3(21) under ERISA, only. In all cases, our status as a fiduciary under ERISA is clearly disclosed in a written advisory agreement. If there is any discrepancy between the disclosures in this paragraph and the agreement, the agreement shall govern.

**D**     No Wrap Fee Program; Types of Investments Recommended. We do not offer a wrap fee program

While we do not recommend one particular type of investment or asset class over any other, we primarily advise our clients regarding investments in equity securities, mutual funds, exchange traded funds (“ETFs”) and variable products (life insurance and annuities). Depending on the client’s financial circumstances, our investment advice may also concern other instruments, including, without limitation, options on equity securities, corporate debt securities, municipal securities, exchange traded notes, money market accounts, and U.S. government securities, among others. We may also provide advice on any type of investment held in the client’s portfolio at the inception of our advisory relationship.

Please see Item 8 of this brochure or a description of the investment strategy(ies) we typically implement in client accounts.

**E**     As of the date set forth on the cover page of this brochure, we manage \$177,000,000 of client assets on a discretionary basis and \$0 of client assets on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

**A**     Fees for Portfolio Management and Pension Consulting Services; Termination of Services. Sage charges an annual asset-based management fee for portfolio management and pension consulting services in accordance with the below standard fee schedule. The fee rate applicable to your account(s) will be set forth in a written advisory agreement. Our advisory fees are negotiable and we reserve the right to negotiate fees that may be higher or lower than those set forth in the standard fee schedule on a per client basis.

Our advisory fees are calculated and payable quarterly or monthly, in advance, based on the value of your portfolio (including any cash balance) as of the last day of the prior period. The initial advisory fee applicable to your account will be based on the opening value of your account as of the date on which we begin to provide services and shall be pro-rated for partial periods. Our standard fee schedule may be amended from time to time in our sole discretion, upon 30 days’ written notice to you.

For purposes of our billing and fee schedule, unless otherwise agreed, we will typically combine the value of all of your related accounts (including any accounts held individually or jointly by you, your spouse, your minor children, or your business, including retirement accounts) for purposes of determining the applicable advisory fee level. These “household” account values would be combined and assessed the same fee rate under our standard fee schedule below.

**[CONTINUED ON THE FOLLOWING PAGE]**

### **Standard Fee Schedule**

<b>Assets Under Management</b>	<b>Annualized Fee</b>
On the first \$250,000	1.00%
On the next \$250,000	0.75%
On the next \$1,500,000	0.50%
On the next \$3,000,000	0.40%
On the next \$5,000,000	0.25%
On all amounts over \$10,000,000	0.15%

Clients may make additions or request withdrawals from their account at any time. Generally, there is no credit of advisory fees made on funds withdrawn during a billing period, nor is there any additional charge for deposits made during a billing period. Clients should note that some or all of the investments in their account may be intended as long-term investments and withdrawals of cash and premature liquidations of securities positions may impair the achievement of your investment objectives.

All security pricing is done by the independent custodian/broker-dealer that will maintain your account(s) (the “Custodian”). We will rely on this pricing in determining the fees attributable to your account(s). The Custodian may use various pricing services such as Reuters and Standard & Poor’s to price securities held in your account. For actively traded securities, these services use the actual last reported sale price. For less actively traded securities such as bonds, these services will use the appropriate valuation methodology to determine the value of the security.

Our portfolio management and/or pension consulting services may be terminated at any time by either party, without penalty or cost, on five (5) days written notice to the non-terminating party. In the event of termination, we shall be compensated by a pro-rated advisory fee based on the number of days in the terminating period during which services were provided. A refund of any excess pre-paid advisory fees shall be returned to you promptly thereafter, but in no event more than five (5) business days following the date of termination.

Fees for Financial Planning Services; Termination of Services. Sage charges flat fees in connection with its financial planning services. These fees typically range between \$250 - \$5,000 and are determined prior to the commencement of services based on our expectation of the complexity, time, research, and resources required to complete the particular financial planning and/or consulting services requested by the client. You will be billed the entire flat fee either at the time of executing our written advisory agreement or upon completion of the engagement, with fees due upon receipt.

Financial planning engagements may be terminated at any time by either party, without penalty or cost, on five (5) days written notice to the non-terminating party. In the event of termination of our services prior to completion, we shall be compensated a pro-rated portion of the agreed upon flat fee based upon our good faith estimate of the total



percentage of work conducted towards the project's completion at the time of termination. Our invoice for these pro-rated fees is due upon receipt. Where you have pre-paid for our services you will receive a refund of any excess pre-paid fees promptly thereafter, but in no event more than five (5) business days following the date of termination.

- B** Direct Deduction of Fees; Account Statements. Fees for portfolio management services and pension consulting services are typically paid directly to us from your account(s) held at the Custodian upon your written approval of such arrangement and our periodic submission to you of a written report reflecting the amount of advisory fees charged to your account. We will liquidate money market shares or use cash balances from your account to pay our advisory fee, however, if money market shares or cash value are not available other investments may be liquidated. Please note that unexpected or premature liquidation of investments to pay our advisory fees may impair the performance of your account.

The Custodian will send an account statement to you on a monthly basis identifying the amount of funds and each security in the account at the end of the period and setting forth all transactions in the account during that period, including the amount of any advisory fees paid directly to us. *We encourage you to review our reports and the Custodian's account statements carefully and promptly upon receipt.* If you believe we have miscalculated the advisory fees applied to your account or if there is any other issue with your account, you should contact us immediately at the phone number and e-mail address listed on the cover page of this brochure.

- C** Additional Fees and Expenses. As part of our investment advisory services, we may recommend that you invest in mutual funds and ETFs. The fees that you pay to our firm are separate and distinct from the internal management fees and other expenses that may be charged by mutual funds and/or ETFs to their shareholders. You will also pay the Custodian of your account transaction charges, custodial, and/or brokerage fees for the purchase or sale of securities in your account. Further, to the extent your account is managed through the use of any sub-advisors, you will also pay separate management fees to such sub-advisors for their services. We do not share in any portion of the foregoing additional fees and expenses. To fully understand the total cost you will incur you should review the prospectus of each mutual funds, ETF, and or separately managed account/sub-advisory program in which you are invested and the contractual arrangement with the Custodian of your account. For information on our brokerage practices, please refer to Item 12 of this brochure.

While we believe our advisory fees to be reasonable for the services provided, you are advised that lower fees for comparable services may be available from other sources.

- D** As described above, our services may be terminated by you at any time, and an appropriate refund of any pre-paid fees, if any, shall be issued no later than five (5) business days from the date of termination.

- E** Compensation for Sale of Securities. Certain of our investment advisor representatives of Sage are also registered representatives and investment advisor representatives of KMS Financial Services, Inc., a division of Ladenburg Thalmann (“KMS”) and/or Mutual Securities Inc. (“MS”) (such persons being referred to herein as “Dually Registered Persons”). KMS is a registered broker-dealer, member of FINRA, and SIPC, and registered investment advisory firm (CRD No. 3866). KMS is not otherwise affiliated with our firm. MS is a registered broker-dealer, member of FINRA, and SIPC (CRD No. 13092). MS is not otherwise affiliated with our firm.

Securities business is transacted with advisory clients, and our Dually Registered Persons may receive commissions from products sold to clients. This creates a conflict of interest insofar as such Dually Registered Persons may have a financial incentive to sell securities to clients for which they may collect commissions. Clients are advised that the fees paid to Sage for investment advisory services are separate and distinct from the commissions earned by any Dually Registered Persons for selling securities products through KMS and/or MS.

Compensation for Sale of Insurance Products. Certain personnel affiliated with our firm are licensed in their individual capacities to sell insurance in one or more states and may sell such products to clients and receive commissions related to such sales. Clients are advised that the fees paid to Sage for investment advisory services are separate and distinct from the commissions earned by any individual in connection with the sale of any insurance products to clients. If requested by a client, we will disclose the amount of commission expected to be paid.

The receipt of commissions by an individuals associated with the firm in connection with sales of insurance products to clients presents a conflict of interest. As fiduciaries, we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Further, we must determine in good faith that any commissions paid to our personnel are appropriate. Clients are informed that they are under no obligation to purchase insurance products or services from any individual associated with Sage. Clients may use any insurance firm or agent they choose.

Individual Retirement Account Rollover Disclosure. As part of our advisory services to you, we may recommend that you withdraw or “roll over” assets from an employer’s retirement plan to an individual retirement account (“IRA”) that we may advise on and which may therefore result in additional advisory fees payable to us. This type of recommendation represents a conflict of interest for our firm. If we make this type of recommendation you are under no obligation to follow such advice. Alternatively, you may have the options of (1) maintaining your retirement plan as is, (2) rolling over your account to the employer’s new retirement plan, (3) taking a taxable distribution, or (4) rolling over your account to a new IRA. It is important to understand the advantages and disadvantages of each approach, which will depend on individual financial circumstances. Prior to proceeding with any such action, we encourage you to contact us and your independent legal and/or tax professionals for more information.

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

We do not charge any performance-based fees for our services or engage in side-by-side management of accounts.

Sage and individuals associated with our firm may manage accounts which belong either to themselves, individually, or to their family or their affiliates (collectively, “Proprietary Accounts”) while simultaneously managing client accounts. It is possible that orders for Proprietary Accounts may be entered in advance of or opposite to orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Account is subject to our Code of Ethics and the duty of our firm and its personnel to exercise good faith and fairness in all matters affecting client accounts.

## Item 7 – Types of Clients

We provide investment advice to individuals, high net worth individuals, pension and profit sharing plans and their participants, trusts, charitable organizations, partnerships, corporations and other business entities. Because each client is unique, they must be willing to be involved in the planning and ongoing processes of our management of their account. Such involvement does not have to be time consuming, however we want our clients to remain informed and have a sense of security about their investments.

We do not have any minimum advisory fees or opening account size requirements.

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

### A Our Methods of Analysis and Investment Strategies

The types of investments we typically recommend are discussed in Item 4 of this brochure.

We may use some or all of the following methods of analysis in providing investment advice to you:

Fundamental Analysis. Fundamental Analysis. In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you.

Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected.

The main sources of information we rely upon when researching and analyzing securities using fundamental analysis include research materials prepared by others, annual reports, corporate rating services, prospectuses, and company press releases.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of overall market movement.

Asset Allocation. Rather than focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, securities, fixed income, and cash) suitable to investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Mutual Fund and ETF Selection and Analysis. We evaluate and select mutual funds and/or ETFs for your account based on several factors which may include, without limitation, (1) the experience and track record of the underlying portfolio manager(s), (2) the performance of the mutual fund or ETF over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of the mutual fund or ETF or applicable market sector; and (4) whether and to what extent the underlying holdings of the mutual fund or ETF overlap with other assets held in your account. We also monitor the mutual fund or ETF in an attempt to determine if the fund is continuing to follow its stated investment strategy.

A risk of mutual funds and ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A fund manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of the fund are determined by independent fund managers and may change overtime without advance warning, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

We typically use the following *investment strategies* in managing client accounts:

Long-term Purchases. We primarily take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we

employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Short-term purchases. When utilizing this strategy, we may suggest the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

- B** We use our best judgment and good faith efforts in rendering investment advice to our clients. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. Investing in securities involves risk of loss that clients should be prepared to bear. You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of your account(s).

- C** Summary of Investment Risks. While all investing involves risks and losses can and will occur, our advisory services generally recommend a broad and diversified allocation of mutual funds and other securities intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. **This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.**

**Risk of Loss.** Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

**Risks Related to Analysis Methods.** Our analysis of securities relies in part on the assumption that the companies whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Securities Transactions at the Direction of Clients.** While we typically provide portfolio management services only on a discretionary basis, the client maintains the concurrent ability to make transactions with the account held at Custodian. Our firm is not responsible for the consequences of the client's self-directed investment decisions.

**Interim Changes in Client Risk Tolerance and Financial Outlook.** The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by the client. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed) to discuss any changes in the client's financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

**It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss any such changes.**

## **Item 9 – Disciplinary Information**

Sage is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. No principal or person associated with Sage has any information to disclose which is applicable to this Item

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

**Registration as a Broker-Dealer or Registered Representative of a Broker-Dealer.** As disclosed in Section 5, certain of our investment advisor representatives of our firm are also Dually Registered Persons of KMS and/or MS. KMS and MS are not otherwise affiliated with our firm. The conflicts



of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5 of this brochure

Sale of Insurance Products. As disclosed in Section 5, certain personnel affiliated with our firm are also licensed as insurance agents in one or more states, either through a licensed general insurance agency or as direct agent representative of a specific insurance company. The conflicts of interest associated with the above arrangements and how these conflicts are addressed are described in Section 5 of this brochure.

Futures or Commodities Registration. As of the date of this brochure, neither our firm nor its management are or intend to become registered as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing.

### **Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading**

**A**      Our Code of Ethics. We disclose to clients material conflicts of interest which could reasonably be expected to impair our rendering of unbiased and objective advice. Sage has a Code of Ethics (“Code”) which all employees are required to follow. The Code outlines proper conduct related to all services provided to clients and will be made available to you, free of charge, upon request. Prompt reporting of internal violations is mandatory. Sage’s Chief Compliance Officer, Michael Helke, and/or its Manager, Russell D. Cole, regularly evaluate employee performance to ensure compliance with the Code.

**B-D**      Material/Proprietary Interests in Securities Recommended to Clients. Our firm and individuals associated with our firm do not have any proprietary or material interests in or any role in the management of any companies or investments that we recommend to our clients.

Investments by Sage or its Personnel in Securities Recommended to Clients. As discussed in Item 6, Sage and individuals associated with our firm may trade Proprietary Accounts. Such Proprietary Accounts may make investments in the same securities we recommend and transact in for our clients. It is possible orders for securities for Proprietary Accounts may be entered in advance of or opposite to orders for client accounts, pursuant to, for instance, a neutral allocation system, a different trading strategy, or trading at a different risk level. The management of any Proprietary Accounts is subject to the duty of our firm and our personnel to exercise good faith and fairness in all matters affecting its clients’ accounts. Specifically, our Code is designed to assure that the personal securities transactions will not interfere with decisions made in the best interest of advisory clients while at the same time, allowing employees to invest in their own accounts.

Sage will disclose to advisory clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

As any advisory situation could present a conflict of interest, we have established the following restrictions to ensure our fiduciary responsibilities:

1. A director, officer, associated person, or employee of Sage shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public on reasonable inquiry. No person associated with Sage shall prefer his or her own interest to that of any advisory client.
2. Sage maintains a list of all securities holdings for itself and for anyone associated with its advisory practice that has access to advisory recommendations. An appropriate officer of Sage reviews these holdings on a regular basis.
3. Any individual not in observance of the above may be subject to disciplinary action, up to and including termination.

## Item 12 – Brokerage Practices

- A** Selection/Recommendation of Broker-Dealer Firms; Best Execution. Except where otherwise agreed, our firm typically has the authority to determine the particular securities to be bought or sold, the amount of the securities to be bought or sold, and the broker or dealer to be used in all such transactions for your account. As a condition of participation in our portfolio management services, clients are generally required to maintain their brokerage account(s) with Fidelity Brokerage Services LLC, 900 Salem Street, Smithfield, Rhode Island 02917 (“Fidelity”), an unaffiliated SEC registered broker-dealer firm and member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”).

In recommending broker-dealers, including Fidelity, we seek to obtain “best execution,” for our clients, meaning that we seek to execute securities transactions for clients so that the total costs or proceeds in each transaction are the most favorable under the circumstances. The factors we consider when evaluating for best execution include:

- Execution capability;
- Transaction fee rate;
- Financial responsibility;
- Responsiveness;
- Custodian capabilities;
- The value of any research services/brokerage services provided; and
- Any other factors that we consider relevant.

Generally speaking, we will recommend that Clients establish brokerage accounts with Fidelity, so long as they continue to meet the above criteria. We have selected Fidelity for



administrative convenience and also because they provide good value to our clients for the transaction costs and other costs incurred.

Soft Dollar Benefits and Brokerage for Client Referrals. As of the date of this brochure, we do not receive any soft dollar benefits. We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Economic Benefits. As a registered investment advisor, we may have access to the institutional trading platform of your Custodian, including Fidelity. As such, we may receive access to certain research products and services and other forms of assistance from the Custodian that may include, without limitation, access to financial publications and information about particular companies and industries, research software and reports, trading software, enhanced reporting capabilities, block trading capabilities, free or reduced costs access to conferences and other events, access to reduced cost investment products and third party money managers, and other products or services that provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities. Such products and services are generally provided to all investment advisors that utilize the institutional services platforms of the selected Custodian, and are not considered to be paid for with soft dollars. However, you should be aware that the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge.

While we do not pay a fee to the Custodian for these products and services, all client accounts may not be the direct or exclusive beneficiary of such products and services. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. However, clients should be aware that our receipt of economic benefits creates a potential conflict of interest and may indirectly influence our recommendation of Fidelity for custody and brokerage services for our clients.

Directed Brokerage. As described above, we require our clients to maintain their accounts at Fidelity. Clients are advised that not all investment advisors require, as a condition of their advisory agreements that clients use a particular broker-dealer. Additionally, although we believe the commissions expected to be charged by Fidelity to be reasonable and their execution services to be competitive, the use of any one broker-dealer exclusively may result in our firm being unable to achieve for its clients the most favorable execution at the best price available, and accordingly, may cost Clients more money than other arrangements.

- B** Trade Aggregation. From time to time, we may aggregate the purchase or sale of securities for more than one client account (i.e., “block trading”). We will generally aggregate orders using Fidelity’s system for entering trades at the omnibus level. Our firm will allocate fills resulting from aggregate orders in accordance with its internal policy regarding the same. Generally, such policy requires us to allocate aggregate order fills among and between participating client accounts on a pro rata basis (i.e., to the extent each client account participated in the aggregate order).

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**Item 13 – Review of Accounts**

- A** Portfolio management and pension consulting accounts are generally reviewed by Sage's Manager and Chief Client Advisor, Russell D. Cole, who is responsible for overseeing all investment advisory activities for the firm, on a regular basis. However, individuals conducting reviews may vary from time to time, as personnel join or leave our firm. The frequency of reviews is determined based on the each client's investment objectives and investment profile. Accounts are generally reviewed quarterly, but in any event, no less than annually.

Updates of written financial plans are generally not part of the contracted services and will only be conducted upon specific request from the client, subject to a subsequent written financial planning agreement and payment of an additional advisory fee. All such reviews and updates shall be subject to the then agreed fixed fee rates.

- B** More frequent reviews of portfolio management and pension consulting accounts may be triggered by a change in Client's investment objectives; risk/return profile; tax considerations; contributions and/or withdrawals; large sales or purchases; security specific events; or changes in the economy more generally.
- C** Clients receive standard account statements and trade confirmations from Fidelity, which acts as the Custodian of their account(s), on a monthly basis. Sage will also provide you with a written report summarizing the account activity generally quarterly, but in any event, no less than annually. We will also provide written reports to you as you may reasonably request outside of these parameters. Reports we provide to you will contain relevant account and/or market-related information such as an inventory of account holdings and account performance, as examples.

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

We have no arrangements, written or oral, in which we compensate others or are compensated for client referrals.

**Item 15 – Custody**

With the exception of our ability to directly debit fees as outlined in Item 5 and our ability to disburse or transfer certain funds pursuant to standing letters of authorization executed by the client, we do not hold, directly or indirectly, client funds or securities, or have any authority to obtain possession of them.

We shall have no liability to you for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount of such loss is covered by the SIPC or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a custodian.

**Item 16 – Investment Discretion**

Clients grant our firm ongoing and continuous discretionary authority to execute its investment recommendations in accordance with our client specific Statement of Investment Policy (or similar document used to establish each client's objectives and suitability), without the client's prior approval of each specific transaction. Under this discretionary authority, you allow us to purchase and sell securities and instruments in your account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the client in matters necessary or incidental to the handling of the account, including monitoring certain assets. Except for direct deductions of its advisory fees, Sage will not be permitted to initiate transfers of funds in or out of client accounts.

**Item 17 – Voting Client Securities**

- A** We will not vote proxies on behalf of clients and will not provide advice to clients on how the client should vote.
- B** We do not have authority to vote client securities unless authorized by the client. Most clients will receive proxies and other solicitations directly from the custodian or transfer agent. If any proxy materials are received on behalf of a client, they will be sent directly to the client or a designated representative of the client, who is responsible to vote the proxy.

**Item 18 – Financial Information**

- A** Sage does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.
- B** Sage does have discretionary authority over client funds and securities, but we have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to Clients.
- C** Neither Sage nor any of the principals, have been the subject of a bankruptcy petition at any time in the past.