

# Sage Hill Advisory and Management, LLC

## Firm Brochure

*This brochure provides information about the qualifications and business practices of Sage Hill Advisory and Management, LLC. If you have any questions about the contents of this brochure, please contact us at (518) 871-1214 or by email at: [info@sagehilladvisory.com](mailto:info@sagehilladvisory.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.*

*Additional information about Sage Hill Advisory and Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Sage Hill Advisory and Management LLC's CRD number is: 149365*

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*Registration does not imply a certain level of skill or training.*

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## Item 2: Material Changes

### **Annual Update**

Sage Hill Advisory and Management, LLC has no material changes to report since the previous Annual ADV Amendment filed on April 30, 2018.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since March 6, 2009, and the principal owners are Philip J. Toffel and Frank M. Antalek.

SAGE HILL provides financial advisement and investment management to individuals, families and their related entities, trusts and estates, and family businesses. SAGE HILL works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits, and/or other issues specific to the client.

Assets under the direct management of SAGE HILL are held by independent custodians, in the client's name. SAGE HILL does not act as a custodian of client assets.

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the Advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

### B. Types of Advisory Services

Sage Hill Advisory and Management, LLC (hereinafter "SAGE HILL") offers the following services to advisory clients:

#### *Investment Supervisory Services*

SAGE HILL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SAGE HILL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SAGE HILL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. SAGE HILL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

### ***Selection of Other Advisors***

SAGE HILL may direct clients to third party money managers. SAGE HILL will not be compensated via a fee share from the advisors to which it directs those clients. Before selecting other advisors for clients, SAGE HILL will always ensure that those other advisors are properly licensed or registered as investment advisor.

### ***Financial Planning***

Financial Planning services include the comprehensive analysis of personal and business goals in the areas of cash flow planning, estate planning, business succession planning, taxes, investments, and risk management. After identifying goals, a strategic plan is established with Sage Hill coordinating execution of various tactics to achieve results consistent with the plan. The fees for these services are based on a percentage of net worth; the final fee structure is documented in Exhibit II of the Financial Planning Agreement.

### ***Services Limited to Specific Types of Investments***

SAGE HILL limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, and government securities. SAGE HILL may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

SAGE HILL offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent SAGE HILL from properly servicing the client account, or if the restrictions would require SAGE HILL to deviate from its standard suite of services, SAGE HILL reserves the right to end the relationship.

## D. Wrap Fee Programs

SAGE HILL does not participate in any wrap fee programs.

## E. Amounts Under Management

SAGE HILL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 48,192,951	\$0.00	12/31/2018

# Item 5: Fees and Compensation

## A. Fee Schedule

### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$1 - \$1,999,999	1.35%
\$2,000,000 - \$4,999,999	1.10%
\$5,000,000 - \$9,999,999	.85%
\$10,000,000 and Above	.60%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with five days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

### *Financial Planning Fees*

Depending upon the complexity of the situation and the needs of the client, the rate for financial planning advice is between \$5,000 and \$500,000. Fees are paid in advance, but never more than six months in advance. If services are terminated, fees that are charged in advance will be refunded based on the prorated amount of work completed. The fees are negotiable and the final fee schedule will be attached as Exhibit II of the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.



## **B. Payment of Fees**

### ***Payment of Investment Supervisory Fees***

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance. Advisory fees may also be invoiced and billed directly to the client with payments due at the date of billing. Clients may select the method in which they are billed.

### ***Payment of Financial Planning Fees***

Financial Planning fees are paid via check or withdrawn directly from the client's accounts in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by SAGE HILL. Please see Item 12 of this brochure regarding broker/custodian.

## **D. Prepayment of Fees**

SAGE HILL collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check.

## **E. Outside Compensation For the Sale of Securities to Clients**

Philip Toffel and Frank Antalek are registered representatives of Halliday Financial, LLC, a broker dealer, and therefore on occasion may accept compensation for the sale of securities to SAGE HILL clients.

### ***1. This is a Conflict of Interest***

SAGE HILL and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This presents a conflict of interest and gives the supervised person and SAGE HILL an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which SAGE HILL receives compensation, SAGE HILL will document the conflict of interest in the client file and inform the client of the conflict of interest.

## ***2. Clients Have the Option to Purchase Recommended Products From Other Brokers***

Clients always have the option to purchase SAGE HILL recommended products through other brokers or agents that are not affiliated with SAGE HILL.

### **Item 6: Performance-Based Fees and Side-By-Side Management**

SAGE HILL does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

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

SAGE HILL generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals

#### ***Minimum Account Size***

Investment Supervisory Services are subject to an account minimum of \$1,000,000. All services provided by SAGE HILL are subject to a minimum annual fee of \$20,000. Both minimums may be waived at the discretion of SAGE HILL.

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

#### **A. Methods of Analysis and Investment Strategies**

##### ***Methods of Analysis***

SAGE HILL's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

**Charting analysis** involves the use of patterns in performance charts. SAGE HILL uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

**Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### *Investment Strategies*

SAGE HILL uses long term trading and short term trading strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold : 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

### *Investment Strategies*

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

SAGE HILL generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Philip Toffel and Frank Antalek are registered representatives of Halliday Financial, LLC, a broker dealer. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. SAGE HILL always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of SAGE HILL in their capacity as a registered representative.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither SAGE HILL nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither SAGE HILL nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

#### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

SAGE HILL may direct clients to third party money managers. SAGE HILL will always act in the best interests of the client, including when determining which third party manager to recommend to clients. SAGE HILL will ensure that all recommended advisors or managers are licensed or notice filed in the states in which SAGE HILL is recommending them to clients.

### **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

#### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

#### **B. Recommendations Involving Material Financial Interests**

SAGE HILL does not recommend that clients buy or sell any security in which a related person to SAGE HILL has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of SAGE HILL may buy or sell securities for themselves that they also recommend to clients. Representatives of SAGE HILL will always transact client business before their own when similar securities are being bought or sold; since this may provide an opportunity for representatives of SAGE HILL to profit off the recommendations they provide to clients. SAGE HILL will always document any transactions that could be construed as conflicts of interest.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

Representatives of SAGE HILL are prohibited from buying or selling securities for themselves at or around the same time as clients. This prohibition removes conflicts that may arise due to the fact that buying or selling securities before or after recommending securities to clients could result in representatives profiting off the recommendations they provide to clients.

## Item 12: Brokerage Practices

### A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian was selected based on a combination of factors including the following: transaction cost, trade execution, product availability, and administrative efficiency. SAGE HILL will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### 1. *Research and Other Soft-Dollar Benefits*

SAGE HILL receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

#### 2. *Brokerage for Client Referrals*

SAGE HILL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### 3. *Clients Directing Which Broker/Dealer/Custodian to Use*

SAGE HILL is open to using client preferred broker-dealers to execute transactions if they meet Sage Hill's due diligence requirements.

### B. Aggregating (Block) Trading for Multiple Client Accounts

SAGE HILL maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## Item 13: Reviews of Accounts

### A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly by Frank M. Antalek, Managing Member. Frank M. Antalek is the Chief Portfolio Strategist of SAGE HILL and reviews clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at SAGE HILL are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Philip J. Toffel and Frank M. Antalek.

## **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

## **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least monthly a written report that details the client's account which may come from the custodian.

Clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

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

## **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

SAGE HILL does not receive any economic benefit, directly or indirectly from any third party for advice rendered to SAGE HILL clients.

## **B. Compensation to Non -Advisory Personnel for Client Referrals**

For any prospective clients introduced to SAGE HILL by Lee A. Nystrom, Kenneth Rotondo or George Ehinger that become clients, 20% of compensation received by SAGE HILL will be paid. Clients will not be charged an additional fee for the solicitor's service.

# **Item 15: Custody**

SAGE HILL, with client written authority, has limited custody of client's assets through direct fee deduction of SAGE HILL's Fees only. If the client chooses to be billed directly by the Custodian, SAGE HILL would have constructive custody over that account and must have written authorization from the client to do so. Clients will receive all required account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

## **Item 16: Investment Discretion**

For those clients' accounts where SAGE HILL provides ongoing supervision, the client has given SAGE HILL written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides SAGE HILL discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

SAGE HILL will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

SAGE HILL does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither SAGE HILL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

SAGE HILL has not been the subject of a bankruptcy petition in the last ten years.