



**Sensible**  
MONEY

*a Registered Investment Adviser*

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This brochure provides information about the qualifications and business practices of Sensible Money, LLC (hereinafter “Sensible Money” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. 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 the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.



## **Item 2. Material Changes**

In this Item, Sensible Money is required to discuss any material changes made to the brochure since the last annual amendment dated March 29, 2023. There are no material changes to disclose.



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## Item 4. Advisory Business

Sensible Money, founded in 2011, is an independently operated investment advisory firm registered with the U.S. Securities and Exchange Commission (“SEC”). We are principally owned by Dana Anspach.

Sensible Money offers a variety of advisory services, which include financial planning and investment management services. These services are primarily offered under the following engagement types:

**The Juicing® Plan - An Initial Financial Plan** - This is a one-time financial planning process delivered by Sensible Money over approximately ninety (90) to one hundred twenty (120) days, segmented based on the life-phase of the client.

- *The Time to Drink* planning service is for those already retired, or within 10 years of their desired retirement date. This is the typical client Sensible Money serves.
- *The Filling Your Cup* planning service is for those 10 or more years away from retirement who are focused on accumulation. This service is typically only available to adult children of Sensible Money clients.

Under the Juicing® Plan, financial planning is covered over a series of one to four meetings where data is gathered, analyzed, and written recommendations are developed. In addition, software projections are used to create various “what if” scenarios to see the impact of various decisions. Most clients are required to go through a Juicing® Plan before engaging Sensible Money for investment management services. Upon completion of the Juicing® Plan, it is the client’s responsibility to engage Sensible Money for any additional advice or planning steps. Sensible Money does not initiate ongoing service or advice unless requested by the client.

**Juicing® PLUS - Ongoing Financial Planning with Investment Management** - A typical Sensible Money client will engage the Firm first for a Juicing® Plan (described above) and then move into the Firm’s Juicing® PLUS service package. As set forth below, for those with an annual minimum fee of \$12,500 or more, this is an ongoing comprehensive service where ongoing financial planning, tax planning and investment management are provided for one rate. This service best fits those with \$1,000,000 or more in assets.

Prior to Sensible Money rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Sensible Money setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

As of December 31, 2023, Sensible Money had \$515,475,000 of assets under management, all of which was managed on a discretionary basis.

## **Financial Planning Services**

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Sensible Money offers clients a broad range of financial planning services, which include any or all of the following functions:

- Retirement Planning
- Cash Flow Forecasting
- Financial Reporting
- Investment Consulting
- Insurance Planning
- Risk Management
- Charitable Giving
- Distribution Planning
- Tax Planning
- Education Planning

As set forth above, these services are available on a stand-alone basis or in conjunction with investment management as part of a Juicing® PLUS engagement. In performing its financial planning services, Sensible Money is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Sensible Money recommends certain clients engage the Firm for additional related services and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Sensible Money or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Sensible Money under a financial planning engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Sensible Money's recommendations and/or services.

## **Investment Management Services**

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Sensible Money manages client investment portfolios on a discretionary basis. As set forth above, these services are primarily provided in conjunction with financial planning as part of the Firm's Juicing® PLUS engagement. In limited cases, a client may hire Sensible Money for investment management without financial planning or in conjunction with the construction of their initial Juicing® Plan, but in general, the Firm discourages investment decisions that are made without the benefit of a financial plan.

In providing its investment management services, Sensible Money primarily allocates client assets among various mutual funds and exchange-traded funds ("ETFs"). On a more limited basis, the Firm also recommends closed-end funds, individual bonds, certificates of deposit, actively managed funds, structured products, individual securities, and annuities (fixed, variable, and immediate). In managing client investments, the Firm utilizes independent investment managers ("Independent Managers"). Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in

client portfolios, but clients should not assume that these assets are being continuously monitored or otherwise advised on by the Firm unless specifically agreed upon. Clients can also engage Sensible Money to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Sensible Money directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Sensible Money tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Sensible Money consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Sensible Money if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Sensible Money determines, in its sole discretion, the conditions will not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

### **Use of Independent Managers**

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As mentioned above, Sensible Money selects certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager are set forth in a separate written agreement with the designated Independent Manager. That agreement can be between the Firm and the Independent Manager (often called a subadvisor) or the client and the Independent Manager (sometimes called a separate account manager). In addition to this brochure, clients will typically also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

As of the date of this Brochure, Sensible Money has selected a single Independent Manager on its clients' behalf, Asset Dedication, LLC ("Asset Dedication"). The Firm utilizes Asset Dedication to carry out certain investment management functions on its behalf. Through this arrangement, the Firm recommends Asset Dedication's investment strategies to clients, when appropriate based on each client's individual needs. The Firm also utilizes Asset Dedication for operational support with client reporting, billing, and rebalancing. Any fees and minimums described in Asset Dedication's disclosure documents are not applicable to Sensible Money's clients, as Asset Dedication functions at the direction of Sensible Money. Asset Dedication bills Sensible Money directly for its services, which are included in Sensible Money's fees, as described in Item 5, below. Accordingly, clients will not incur additional fees for Sensible Money engaging Asset Dedication as an Independent Manager.



When selecting Independent Managers, Sensible Money evaluates a variety of information including the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves, and other third-party analyses that the Firm believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance, and risk results in relation to its clients' individual portfolio allocations and risk exposure. Sensible Money also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors. Sensible Money continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Sensible Money seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

### **Item 5. Fees and Compensation**

Sensible Money offers services on a fee basis, which includes fixed and hourly fees, as well as fees based upon assets under management.

#### **Juicing® Plan Fees and Other Financial Planning Fees**

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For Juicing® Plan engagements, Sensible Money charges a fixed fee that ranges from \$12,500 to \$1,000, depending on the complexity of the client's situation. For the foregoing arrangements, Sensible Money requires an initial deposit in the amount of \$2,300. The remainder is due upon completion of the process or delivery of the plan. The typical fee for a Time to Drink plan (for those near retirement) is \$6,900 for singles and \$8,900 for couples. The typical fee for a Filling Your Cup plan (for those 10 or more years away from retirement) is at the lower range of Juicing Plan fees. Based on unique client circumstances and on a limited basis, the Firm may offer financial planning services on an hourly basis, in which case, the Firm charges between \$200 and \$500 per hour, depending upon the scope and complexity of the services and the professional rendering the financial planning services. The fee can be for a defined project, such as the delivery of a plan, or for ongoing services.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement. Payment may be made by check or cashier's draft from a US-based bank or via online transfer using Zelle or PayPal or via other payment methods the firm may make available. The Firm does not accept cash or similar forms of payment for Sensible Money's engagements. The Firm does not take receipt of \$1,200 or more in prepaid fees, six or more months in advance of services rendered.

### **Juicing® PLUS Fees and Other Investment Management Fees**

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For Juicing® PLUS engagements, Sensible Money charges a fee based on assets under the Firm's management. This management fee generally varies in accordance with the following blended fee schedule:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>ANNUAL RATE</u></b>	<b><u>QUARTERLY RATE</u></b>
First \$1,000,000	1.25%	0.3125%
Next \$1,000,001 - \$2,000,000	1.00%	0.25%
Next \$2,000,001 - \$5,000,000	0.75%	0.1888%
Above \$5,000,000	Negotiated	Negotiated

For the initial, partial quarter of service, the fee is prorated and charged in arrears. Thereafter, the annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Sensible Money on the last day of the previous billing period as determined by a party independent from the Firm (including the client's custodian or another third-party). The Firm includes cash in client accounts in determining the valuation for billing purposes. The Firm may, in its sole discretion, not include cash in determining the fee, especially where a client has a high percentage of cash for reasons other than the Firm's investment management decision.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

When appropriate and at the Firm's sole discretion, investment management engagements may be structured to charge a flat annual fee. Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Sensible Money, at its sole discretion, may negotiate a fee/rate that differs from the range set forth above.

Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Sensible Money for additional services for compensation, including rolling over retirement accounts or moving other assets to the Firm's management. Clients retain absolute discretion over all decisions regarding engaging the Firm and are under no obligation to act upon any of the recommendations.

### **Fee Discretion**

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Sensible Money may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be





managed, related accounts, account composition, pre-existing/legacy client relationship, account retention, pro bono activities, or competitive purposes.

### **Additional Fees and Expenses**

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In addition to the advisory fees paid to Sensible Money, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, reporting charges, fees charged by Independent Managers other than Asset Dedication, margin and other borrowing costs, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (*e.g.*, fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Firm’s brokerage practices are described in Item 12, below.

### **Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their accounts at any time. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients can withdraw account assets on notice to Sensible Money, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client’s investment objectives. Sensible Money may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charges) and/or tax ramifications.

### **Direct Fee Debit**

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Clients provide Sensible Money with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Sensible Money.

### **Use of Margin**

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Sensible Money can recommend that certain clients utilize margin in the client’s investment portfolio or other borrowing. Sensible Money only recommends such borrowing for short-term trade settlement reasons or for non-investment needs, such as bridge loans and other financing needs. The Firm’s fees are determined based on the value of the assets being managed gross of any margin or borrowing.

## **Item 6. Performance-Based Fees and Side-by-Side Management**

Sensible Money does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## **Item 7. Types of Clients**

Sensible Money offers services to individuals and their trusts and estates, pension and profit-sharing plans, and charitable organizations.

### **Minimum Account Fee for Juicing® PLUS Engagements**

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As a condition for starting and maintaining a Juicing® PLUS engagement, Sensible Money may impose a minimum annual fee of \$12,500 (assessed quarterly, pro rata). Sensible Money may, in its sole discretion, charge a lesser minimum fee and accept clients with portfolios of less than \$1,000,000 in value based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. When a minimum fee is in effect it will cause clients with portfolios of less than \$1,000,000 in value to incur an effective fee rate higher than the Firm's stated fee. Sensible Money only accepts clients with less than the minimum portfolio fee if the Firm determines the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Sensible Money may, in its sole discretion, aggregate the portfolios of family members to meet the minimum portfolio fee.

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

### **Methods of Analysis**

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In general, in determining an overall strategy, Sensible Money follows the guiding principles of Modern Portfolio Theory ("MPT"), the Efficient Market Hypothesis ("EMH") and for upcoming retirees, the principle of Liability-Driven Investing ("LDI") sometimes referred to as "asset-liability matching".



*Modern Portfolio Theory (MPT)* - If you understand the saying “don’t put all your eggs in one basket” then you understand the basics behind MPT. MPT says that through diversification, the process of spreading your money across numerous investments, you can reduce risk. By following MPT, Sensible Money puts together a selection of investments that are designed to provide the greatest return for any given level of investment risk. Over longer time frames, research shows that the potential for higher returns comes from riskier assets, which also entail additional short-term risk (volatility). If you desire the potential for higher long-term returns, then it is likely a recommendation will be made to allocate a higher percentage of your portfolio toward riskier assets.

*The Efficient Market Hypothesis (EMH)* - EMH states that the financial markets do not allow investors to earn above-average returns without accepting above-average risks. EMH does not necessarily mean that markets are rational, or that they always price assets accurately. In the short run, investments can become over-valued (think tech stocks in 1999, or real estate in 2006) or under-valued (think stock prices in March 2009). Research supporting EMH shows the evidence is overwhelming that however inconsistent and irregular the behavior of stock prices may be, the market does not create trading opportunities that enable investors to earn extraordinary risk-adjusted returns.

Following MPT and EMH does not protect an account, investment, or client from investment losses, including the loss of the entire amount invested. Future security returns are unknown. Accounts may go down in value, and emotional decisions that are not in line with a client’s long-term investment strategy may result in the client losing significant amounts of money. Similarly, even decisions that are in line with a client’s long-term investment strategy may lead to the same result. Investing in securities involves risk of loss that clients should be prepared to bear.

*Liability-Driven Investing (LDI)* - LDI is an institutional investment strategy popular with pension funds looking to match a stream of payments to retirees. In the age of the 401(k), individuals must look to their own portfolios to generate pension-like income. Retirees face the same inflow-outflow problem that pension fund managers face, except that retirees’ liabilities are the withdrawals from their portfolios to replace their paychecks. In the financial planning process, Sensible Money specifies how much a client will need to withdraw each year over their lifetimes. These specified withdrawals represent a stream of liabilities that make LDI a natural fit for retirement. Under LDI, an income-matching portfolio can be characterized as a smart bond ladder, whereby through a combination of coupon interest and bond redemptions, the portfolio matches a target income stream. The duration of the portfolio cash flows is matched to the income needs; the portfolio is thus immunized against interest rate risk without needing to be hedged. The investing environment of decumulation is fundamentally different from that of accumulation. Retirees must make their portfolios last a lifetime. Most retirees require a withdrawal rate that is higher than the yield curve on government bonds, which means that they must take on the uncertainty of equity investments to achieve a return that is high enough to reach their financial goals. Taking on equity exposure, however, introduces a number of risks that need to be managed, including longevity risk. Using an income-matching LDI approach for the fixed-income portion of their overall asset allocation helps manage many of these risks. Sensible Money has entered into a collaborative arrangement with Asset Dedication, LLC, to implement LDI portfolios.

## Principal Investment Strategies and Risk of Loss

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Sensible Money believes its strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, the Firm cannot guarantee that an investment objective or planning goal will be achieved. As an investor, you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or your entire principal. In general, risks regarding markets include interest rates, company, and management risk, among others. Examples include:

*Passive Market Strategies* – Should a portfolio employ a passive, efficient market approach (sometimes associated with index investing), an investor will need to consider the potential risk that the broader allocation may at times generate lower-than-expected returns than that from a specific asset, and that the return on each type of asset is a deviation from the market return for the asset class. It is felt that this variance from the “expected return” is generally low under normal market conditions if the portfolio is made up of diverse, low or non-correlated assets. Correlation refers to the extent in which prices move in the same direction, therefore, non-correlated investment strategies may be used within a portfolio to neutralize or counterbalance the risk should one or more types of holdings fall in value.

*Active Management Strategy Risks* – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods, higher transactional costs and/or taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active asset management.

*Company Risk* – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. This is also referred to as unsystematic risk and can be reduced through appropriate diversification.

*Financial Risk* – Excessive borrowing to finance a business operation increases profitability risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

*Inflation Risk* – When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

*Management Risk* – An investment with a firm varies with the success and failure of its investment strategies, research, analysis, and determination of its portfolio. If an investment strategy were not to produce expected returns, the value of the investment would decrease.

*Market Risk* – Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Sensible Money’s recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Sensible Money will be able to predict these price movements accurately or capitalize on any such assumptions.

*Research Data* – When research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, a firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. Therefore, while the Firm makes every effort to determine the accuracy of the information received, Sensible Money cannot predict the outcome of events or actions taken or not taken, or the validity of all information researched or provided which may or may not affect the advice on or investment management of an account.

*Socially Conscious Investing* – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. Therefore, there could be a more pronounced positive or negative impact on a socially conscious portfolio, which could be more volatile than a fully diversified portfolio.

*ETF and Mutual Fund Risk* – ETFs and mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees. The risk of owning these types of holdings also reflects the risks of their underlying securities.

*Fixed Income Risk* – Various forms of fixed income instruments, such as bonds, money market funds, bond funds, and certificates of deposit, may be affected by various forms of risk, including:

*Cryptocurrency Risk* - Cryptocurrency Risk. Cryptocurrency (notably, bitcoin), often referred to as “virtual currency”, “digital currency,” or “digital assets,” operates as a decentralized, peer-to-peer financial exchange and value storage that is used like money. Sensible Money may have exposure to cryptocurrency indirectly through investments in third-party investment vehicles. Cryptocurrency operates without central authority or banks and is not backed by any government. Even indirectly, cryptocurrencies (i.e., bitcoin) may experience very high volatility and related investment vehicles may be affected by such volatility. Cryptocurrency is also not legal tender. Federal, state or foreign governments may restrict the use and



exchange of cryptocurrency, and regulation in the U.S. is still developing. The SEC has issued a public report stating U.S. federal securities laws require treating some digital assets as securities. Cryptocurrency exchanges may stop operating or permanently shut down due to fraud, technical glitches, hackers or malware. Due to its relatively recent launch, bitcoin has a limited trading history, making it difficult for investors to evaluate investments in this cryptocurrency. It is also possible that a cryptocurrency other than bitcoin, could become materially popular and have a negative impact on the demand for and price of bitcoin. It is possible that another entity could manipulate the blockchain in a manner that is detrimental to the bitcoin network. Bitcoin transactions are irreversible such that an improper transfer can only be undone by the receiver of the bitcoin agreeing to return the bitcoin to the original sender. Digital assets are highly dependent on their developers and there is no guarantee that development will continue or that developers will not abandon a project with little or no notice. Third parties may assert intellectual property claims relating to the holding and transfer of digital assets, including cryptocurrencies, and their source code. Any threatened action that reduces confidence in a network's long-term ability to hold and transfer cryptocurrency may affect investments in cryptocurrencies.

*Credit Risk* - The potential risk that an issuer would be unable to pay scheduled interest or repay the principal at maturity, sometimes referred to as "default risk." Credit risk may also occur when an issuer's ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and typically have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.

*Duration Risk* - Duration is a measure of a bond's volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.

*Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.

*Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading in any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.

*Reinvestment Risk* - With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

*Cash Management Risk* – The Firm may invest some of a client’s assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

*Use of Independent Managers* – As stated above, Sensible Money selects certain Independent Managers to manage a portion of its clients’ assets. In these situations, Sensible Money continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers’ ability to successfully implement their investment strategies. In addition, Sensible Money does not have the ability to supervise the Independent Managers on a day-to-day basis.

*Management through Similarly Managed “Model” Accounts* – Sensible Money manages certain accounts through the use of similarly managed “model” portfolios, whereby the Firm allocates all or a portion of its clients’ assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients’ net after tax gains. While the Firm seeks to ensure that clients’ assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client’s individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

*Currency Risks* – An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

## **Item 9. Disciplinary Information**

Sensible Money and its principal, Dana Anspach are subject to a civil injunction ordered on July 2, 2014, which prohibits them from using or building an Excel model that coordinates five specific factors by using a “control tab combined with an optimized and base tab.” The control tab feeds information to the arms of the engine and then the arms feed back into the control tab the results of the projections and generate a visual side-by-side comparison. This civil injunction relates to a civil case, *Retiree, Inc. v. Anspach*, in which it was alleged Ms. Anspach violated a 2011 Confidentiality, Non-Compete, and Invention Ownership Agreement that she entered into prior to the formation of Sensible Money. This case closed as of September 9, 2016. This case did not involve services offered to any Sensible Money clients. Sensible Money has not been involved in any other legal or disciplinary events that are material to a client’s evaluation of its advisory business or the integrity of its management.



## Item 10. Other Financial Industry Activities and Affiliations

### Affiliation with Private Fund Manager

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Certain Supervised Persons of Sensible Money are owners of WMS Fund Management, LLC (“WMS”), which acts as the manager to WMS Fixed Income Fund I, LLC (“the WMS Fund”), a private investment limited liability company which was offered in accordance with Regulation D under SEC regulations. There is a conflict of interest for the Firm to recommend the WMS Fund to the extent its Supervised Persons receive compensation related to their ownership of WMS. To address this conflict, the WMS Fund is closed to new investors and, as of July 2008, all management fees within the fund have been suspended. The WMS Fund will be closed as soon as all assets can be liquidated.

## Item 11. Code of Ethics

Sensible Money has adopted a code of ethics in compliance with applicable securities laws (“Code of Ethics”) that sets forth the standards of conduct expected of its Supervised Persons. Sensible Money’s Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices, such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Sensible Money’s personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm’s Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm’s policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with clients; or





- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

Clients and prospective clients may contact Sensible Money to request a copy of its Code of Ethics by contacting the Firm at the phone number on the cover page of this brochure.

## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

Sensible Money recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") for investment management accounts. The final decision to custody assets with Schwab is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Sensible Money is independently owned and operated and not affiliated with Schwab. Schwab provides Sensible Money with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Sensible Money considers in recommending Schwab or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. Schwab enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Sensible Money's clients to Schwab comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified Financial Institution might charge to effect the same transaction where Sensible Money determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution's services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Sensible Money seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Consistent with obtaining best execution, brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist Sensible Money in its investment decision-making process. Such research will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Sensible Money does not have to produce or pay for the products or services.

Sensible Money periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

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Sensible Money receives without cost from Schwab administrative support, computer software, related systems support, as well as other third-party support as further described Schwab (together "Support") which allow Sensible Money to better monitor client accounts maintained at Schwab and otherwise conduct its business. Sensible Money receives the Support without cost because the Firm renders investment management services to clients that maintain assets at Schwab. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Sensible Money, but not its clients directly. Clients should be aware that Sensible Money's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits will influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Sensible Money endeavors at all times to put the interests of its clients first and has determined that the recommendation of Schwab is in the best interest of clients and satisfies the Firm's duty to seek best execution.

Specifically, Sensible Money receives the following benefits from Schwab: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Schwab. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Sensible Money by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Sensible Money in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to Sensible Money other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Sensible Money endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a conflict of interest.

### **Brokerage for Client Referrals**

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Sensible Money does not consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party.

### **Trade Aggregation**

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Transactions for your account will be completed independently and this may result in less favorable transaction rates or greater price spreads than in situations where trades for multiple accounts have been aggregated.

## **Item 13. Review of Accounts**

### **Account Reviews**

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Sensible Money monitors client portfolios on a continuous and ongoing basis and regular account reviews are conducted on at least an annual basis. Such reviews are conducted by the Firm's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Sensible Money and to keep the Firm informed of any changes thereto. Conditions that may trigger a review on an other than annual basis include changes to a clients' personal situation and needs.

### **Account Statements and Reports**

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. Sensible Money provides clients with quarterly written or electronic reports from the Firm and/or an outside service provider. Such reports contain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Sensible Money or an outside service provider.

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

### **Client Referrals**

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The Firm does not currently provide compensation to any third-party solicitors for client referrals.

### **Other Compensation**

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The Firm receives economic benefits from Schwab. The benefits, conflicts of interest and how they are addressed are discussed above in response to Item 12.

## Item 15. Custody

### Direct Fee Debit

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Sensible Money is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period. In addition, as discussed in Item 13, Sensible Money will also send, or otherwise make available, periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from Sensible Money. Any other custody disclosures can be found in the Firm's Form ADV Part 1.

### Standing Letters of Authorization

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Sensible Money also has custody due to clients giving the Firm limited power of attorney in a standing letter of authorization ("SLOA") to disburse funds to one or more third parties as specifically designated by the client. In such circumstances, the Firm will implement the steps in the SEC's no-action letter on February 21, 2017 which includes (in summary): i) client will provide instruction for the SLOA to the custodian; ii) client will authorize the Firm to direct transfers to the specific third party; iii) the custodian will perform appropriate verification of the instruction and provide a transfer of funds notice to the client promptly after each transfer; iv) the client will have the ability to terminate or change the instruction; v) the Firm will have no authority or ability to designate or change the identity or any information about the third party; vi) the Firm will keep records showing that the third party is not a related party of the Firm or located at the same address as the Firm; and vii) the custodian will send the client an initial and annual notice confirming the SLOA instructions.

### Affiliated Private Fund

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Due to certain of Sensible Money's Supervised Persons having ownership of WMS, which acts as the manager to the WMS Fund, the Firm is deemed to have custody of certain client assets. The assets and accounts for which the Firm is deemed to have custody are subject to a surprise annual examination by an independent accounting firm. Any related opinions issued by an independent accounting Firm are filed with the SEC and are publicly available on the SEC's Investment Adviser Public Disclosure website.



### **Item 16. Investment Discretion**

Sensible Money is given the authority to exercise discretion on behalf of some clients. Sensible Money is considered to exercise investment discretion over a client's account if it can effect and/or direct transactions in client accounts without first seeking their consent. Sensible Money is given this authority through a power-of-attorney included in the agreement between Sensible Money and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Sensible Money takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

### **Item 17. Voting Client Securities**

Sensible Money does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

### **Item 18. Financial Information**

Sensible Money is not required to disclose any financial information listed in the instructions to Item 18 because:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.