

# Sagewater Wealth Management LLC

## Client Relationship Summary

Aug 23, 2024

### Introduction

Sagewater Wealth Management LLC is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. It's important to understand the differences between investment advisory services and brokerage services, including the fees and costs associated with each. Free and simple tools to research firms and financial professionals are available at [Investor.gov/CRS](https://www.investor.gov/CRS).

### Relationships and Services

What investment services and advice can you provide me?

Sagewater Wealth Management LLC offers tailored investment advisory services to retail investors, including:

- **Comprehensive Investment Management:** We provide personalized investment advice, designed to align with your specific financial goals. This includes ongoing portfolio management and regular monitoring of your account. We typically reach out to clients at least annually, or more frequently if needed, to discuss your portfolio and any adjustments that may be necessary.
- **Discretionary Accounts Only:** We manage your account on a discretionary basis, meaning we make investment decisions on your behalf without needing to consult you for each transaction. This allows us to act swiftly and efficiently in your best interest based on the agreed-upon investment strategy.
- **Fiduciary Duty:** As a fiduciary, we are legally obligated to act in your best interest throughout our entire relationship. This includes regularly reviewing and adjusting your investment strategy to meet your evolving financial objectives.
- **Account Minimums:** To open or maintain an account with us, we typically require a minimum investment of \$100,000.

For additional details, please refer to our Form ADV Part 2A, specifically Items 4 and 7.

**Conversation Starter:** *Ask us the following questions:*

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- How do you determine which investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

### Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

- **Management Fees:** Our advisory fees are based on a percentage of assets under management ("AUM"). For our Growth Investment Strategy, you will pay a 1% annual management fee, billed at the middle of each quarter at 0.25% of AUM. For our Income Investment Strategy, the same fee structure applies.
- **Performance Fees:** In addition to the management fee, we charge a 15% performance fee on annual returns above a 6% hurdle rate for our Growth Investment Strategy, and above a 3% hurdle rate for our Income Investment Strategy, subject to a high-water mark.
- **Additional Costs:** You may incur other fees and costs, including custodial fees, transaction fees, and charges associated with stocks, options, exchange-traded funds ("ETF") or mutual funds. These fees are separate from our advisory fees and are typically charged directly by the service providers or investment products.

It's important to understand that you will pay fees and costs whether you make or lose money on your investments. Over time, these fees will reduce your investment returns. For more information, please see our Form ADV Part 2A, Item 5.

**Conversation Starter:** *Ask us the following questions:*

- Help me understand how these fees and costs might affect my investments. If I invest \$100,000, how much will go to fees and costs, and how much will be invested for me?

What are your legal obligations to me when acting as my investment adviser?  
How else does your firm make money, and what conflicts of interest do you have?

- **Fiduciary Duty:** When we act as your investment adviser, we are required to act in your best interest and not put our interest ahead of yours, ensuring that our recommendations align with your goals and needs.
- **Conflicts of Interest:** Our compensation structure can create conflicts of interest, particularly if we recommend investments that generate higher fees or if we manage both performance-based and asset-based fee accounts. We manage these conflicts through regular reviews, transparency, and adherence to our fiduciary duty.

For additional details, please refer to our Form ADV Part 2A, Items 4 and 10.

**Conversation Starter:** Ask us the following questions:

- How might your conflicts of interest affect me, and how will you address them?

How do your financial professionals make money?

Our financial professionals at Sagewater Wealth Management LLC are compensated in the following ways:

- **Salary and Bonuses:** They receive a base salary, and their compensation may also include bonuses based on the overall profitability of the firm, the amount of client assets they manage, and the satisfaction of client needs.
- **Performance Incentives:** Some financial professionals may receive additional compensation for meeting certain performance benchmarks, such as attracting new clients or increasing assets under management. However, they are not compensated based on the sale of specific products, which helps align their interests with those of our clients.
- **No Commissions:** Our financial professionals do not receive commissions for selling investment products, which helps to avoid potential conflicts of interest and ensures that their recommendations are based solely on what's best for you.

**Conversation Starter:** Ask us the following questions:

- How does your compensation structure affect my costs as a client?
- Can you explain any incentives you have that might influence the advice you give me?

Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

- No, neither the firm nor its professionals have any reportable legal or disciplinary events.

Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research us and our financial professionals.

**Conversation Starter:** Ask us the following questions:

- As a financial professional, do you have any disciplinary history? For what conduct?

Additional Information

For more information about our services or to request a copy of this relationship summary, visit [adviserinfo.sec.gov](https://adviserinfo.sec.gov) or call us at 310-574-2866.

**Conversation Starter:** Ask us the following questions:

- Who is my primary contact? Is he or she a representative of an investment adviser or broker-dealer?
- Who can I talk to if I have concerns about how this person is treating me?