



DISCLOSURE BROCHURE
(Form ADV, Part 2A)

SAGE INVESTMENT COUNSEL LLC

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March 11, 2024

This brochure provides information about the qualifications and business practices of Sage Investment Counsel LLC (hereinafter "Sage Investment Counsel"). If you have any questions about the content of this brochure, please contact us at 615-591-1210 or email us at info@SageInv.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. Registration does not imply a certain level of skill or training.

Additional information about Sage Investment Counsel is also available at the SEC's website at www.adviserinfo.sec.gov.

Item 2 Summary of Material Changes

We review and update our brochure, as needed and at least annually, to make sure that it remains current. The purpose of this page is to inform you of any material changes since the previous annual updating amendment filed with regulators on March 17, 2023.

On March 11, 2024, we submitted our annual updating amendment filing for the firm's fiscal year 2023. We had no material changes.

Please carefully review this brochure in its entirety. If you have any questions or if you would like to receive a copy of our current brochure free of charge at any time, contact us at 142 5th Avenue North, Franklin, TN 37064, or call 615-591-1210, or email us at info@SageInv.com.

SAGE INVESTMENT COUNSEL LLC

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Note: In this document, the word “we” refers to our firm, Sage Investment Counsel. “You” refers to the reader, as a prospective or current client.

Item 4 Advisory Business

A) Description of our firm

We provide investment advice and/or manage investment securities for our clients. William Dirk Calvin, CEO, is the principal owner and a member of our firm (formerly known as Mabry-Calvin, LLC, which was founded in 1989). The company has been registered as an investment adviser since 2010. Jackson Calvin is a minority member of the firm and serves as our Chief Financial Officer and Chief Compliance Officer (CCO). In addition to managing investment securities, we also monitor the return performance of our client’s discretionary, non-discretionary, and “held-away” assets. Clients decide which of the “held-away” accounts they wish to have monitored.

B) Description of our services

We offer ongoing portfolio management, as well as, recommend various mutual funds, index funds, ETFs, and fixed income securities to our clients. We manage some accounts on a discretionary basis. We also work with some accounts on a non-discretionary basis. In addition, we provide investment performance measurement on any, and all, accounts our clients choose to add to our third-party measurement service.

Where appropriate based on the Client’s individual circumstances, we may recommend that the Client open an account with American Funds to purchase F-2 Class Shares as all or part of their investment portfolio held at American Funds whereby American Funds acts as transfer agent. Class F-2 shares are designed for investors who choose to compensate their financial professional based on the total assets in their portfolios, rather than commissions or sales charges. This arrangement is often called an “asset-based” or a “fee-based” program. Class F-2 shares do not have an up-front or a contingent deferred sales charge. Class F-2 shares also do not carry a 12b-1 fee but may have slightly higher administrative expenses than certain other Class shares. These expenses will vary among the funds. Please note that Class F-2 shares are not available for purchase in certain employer-sponsored retirement plans, unless they are a part of a qualifying fee-based program.

SIMPLE IRA Retirement Plan Services

Additionally, we offer consulting services to plan sponsors and other named fiduciaries (the “client”) regarding employer sponsored SIMPLE plans. The exact services to be provided will be clearly set forth in the services agreement between the client and Sage Investment Counsel as mutually agreed upon. Generally, the client may select one or more of the following services.

ERISA Non-Fiduciary Services

- **Education Services to Plan Committee.** This includes general education regarding the SIMPLE IRA plan's investment options to the Plan Committee. Sage Investment Counsel will not render individualized investment advice and will not be held to an ERISA fiduciary standard for services rendered hereunder.
- **Participant Education Services.** Sage Investment Counsel will conduct periodic mutually agreed upon informational meetings with employees and Participants and provide general investment education, including information about the Plan, general financial and investment information and information and materials relating to the investment options available through the Plan.
- **Plan Search Support.** Sage Investment Counsel will consult with the Plan Sponsor regarding the selection of the SIMPLE IRA plan, if requested. Sage Investment Counsel will not render individualized investment advice and will not be held to an ERISA fiduciary standard for services rendered hereunder.

Additional Non-Fiduciary ERISA Services

Additional services, such as the following, may be agreed upon between the Plan and Sage Investment Counsel will be set forth in the service agreement.

- **Monitoring of Qualified Fiduciary:** The client is responsible as a Plan fiduciary for selection of Sage Investment Counsel, and for monitoring the performance of Sage Investment Counsel. To facilitate this responsibility, Sage Investment Counsel will provide client (a Plan fiduciary) with a structure for the annual review and monitoring of Sage Investment Counsel and its representative.

ERISA Non-Discretionary Fiduciary Services

These services are designed to allow the plan's sponsor and other named fiduciaries (the "client") to retain full discretionary authority or control over assets of the plan. Recommendations will be made directly to the client; plan participants will not be provided individualized, personal investment advice under these services. We will perform these non-discretionary investment advisory services through our investment adviser representatives, and we may charge a fee for these fiduciary services, as described in this Form ADV and the advisory agreement. We will perform these investment advisory services to the plan as a fiduciary defined under ERISA Section 3(21) and we will act with the degree of diligence, care, and skill that a prudent person rendering similar services would exercise under similar circumstances.

The client may engage us to perform one or more of the following non-discretionary investment advisory services:

- **Investment Policy Statement:** Sage Investment Counsel will assist the client in developing a formal, written Investment Policy Statement (“IPS”) or it will review and may recommend amendments to the client relating to the existing IPS, if applicable. The IPS may contain the standards and processes for selecting and monitoring Plan investments, and will set forth the number of general investment options and asset class categories to be offered to Plan participants with a goal of providing a menu of investments that will allow for the creation of well-diversified portfolios through a mix of equity and fixed income exposures. The IPS is subject to the final approval of client, and Sage Investment Counsel does not guarantee that client will achieve the investment objectives in the IPS.
- **Investment Recommendations & Performance Monitoring:** As mutually agreed upon, Sage Investment Counsel will review the investment options available through the Plan and consult with the client as to what options exist with the goal of assisting the client in selecting the “core” investments to be offered to Plan participants, including the Plan’s QDIAs if applicable, that has been approved by the client. As mutually agreed upon, Sage Investment Counsel will provide reports on a regular basis that are designed to assist the client in monitoring the core investment options and to assist the client’s decision-making in removing and replacing investments that no longer meet the client’s objectives. Sage Investment Counsel has no discretion with regard to selecting or removing investments for the Plan.
- **Selection of Qualified Default Investment Alternative.** If applicable, Sage Investment Counsel will assist client in its selection of an investment fund product meeting the definition of a QDIA in ERISA Regulation 2550.404c-5(e)(3). The QDIA shall be reflected in the IPS, if applicable. Client retains the sole responsibility to provide all required notices to Participants as required under ERISA section 404(c)(5). Sage Investment Counsel makes no representations that the Plan will otherwise be compliant with section 404(c).

Rollover Services Disclosure

In conjunction with the advisory services offered, we may provide education or recommendations related to the rollover of an employer sponsored retirement plan. A plan participant leaving employment has several options. Each choice offers advantages and disadvantages, depending on desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and the investor’s unique financial needs and retirement plans. The complexity of these choices may lead an investor to seek assistance from us.

When our firm or our Associated Person(s) recommend an investor roll over plan assets into an Individual Retirement Account (“IRA”), we and our Associated Person(s) may earn an asset-based fee as a result. However, no compensation is received if assets are retained in the plan. Thus, we have an economic incentive to encourage an investor to roll plan assets into an IRA. In most cases, your fees and expenses will increase because fees will apply to assets rolled over to an IRA and ongoing services will be extended to these assets.

Further, you may incur other levels of fees and expenses, including, but not limited to, investment-related expenses imposed by other service providers and mutual fund managers not affiliated with us, as well as other fees and expenses charged by the custodian, third-party administrator, and/or record-keeper. We make no representations or warranties relating to any costs or expenses associated with the services provided by any third parties, and you understand that these fees are in addition to the fee paid to us for the rollover advice.

In cases where we provide you with rollover advice as defined by the Department of Labor, which may also include setting up and/or completing the rollover transaction, we do not serve as a custodian, and we do not provide legal or tax advice to you. In addition, we do not have any responsibilities or potential liabilities in connection with assets not related to the rollover and investments that are not managed by us.

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests. In accordance with various rules and regulations, we must act in your best interest and we must not put our interests ahead of your interests. Additionally, we must: meet a professional standard of care when making investment recommendations (give prudent advice); never put our financial interests ahead of yours when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that we give advice that is in your best interest; charge no more than is reasonable for our services; and, give you basic information about any conflicts of interest.

We rely on all information you provide to us, whether financial or otherwise, without independent verification. We request that you promptly notify us in writing of any material change in the financial and other information provided to us, and to promptly provide any such additional information as may be reasonably requested by us.

Due to the volatile and unpredictable nature of financial markets, we do not guarantee any future performance, any specific level of performance, the success of any recommendations or strategies that we may take or recommend for you, or the success of our overall recommendations. Investment recommendations are subject to various market, currency, economic, political, and business risks, and that investment decisions will not always be profitable.

C) Tailoring our services to individual needs and restrictions on investing

While clients share many similarities, we manage portfolios with the purpose of reaching investment goals that are suitable for the individual client. We will not manage accounts if client goals are not compatible with one of our investment styles. We will, however, monitor any client accounts even if the goal is not compatible with our philosophy or investment style. Accounts that we manage will be separate, not pooled, and held at a custodian independent of us.

Clients may impose restrictions on investing in certain securities or types of securities in some of the portfolios in which we maintain discretion. We inform clients when, and if, these restrictions are not possible.

D) Wrap fee programs

We do not manage wrap fee programs.

E) Assets under management

As of January 31, 2024, we managed approximately \$129,657,303 in discretionary assets and no non-discretionary assets.

Item 5 Fees and Compensation

A) How we are compensated for our services

We are compensated by charging asset-based fees on accounts that we manage, oversee, consult upon, or monitor for performance. (In other words, our fees are based on a percentage of assets under management, consultation, or review.) These asset-based fees generally differ depending on the job we are hired to do. We clearly delineate the nature of each fee we charge and the service provided for the fee.

Our fees are negotiable, and we generally take into account portfolio size, and/or “familial relationship” (Where we group several clients together in order to provide a common discount.)

We charge a maximum annual fixed fee of 1.5% of assets under management, payable quarterly, in arrears or in advance, for accounts that we manage with discretion.

Performance measurement services are billed at a lower rate than investment management services.

B) How we bill for our fees

Our clients pay us quarterly fees. Clients may pay by check, or have us invoice the custodian to deduct it from the accounts.

If your fees are due in arrears, we calculate quarterly fees on the ending value of your account for the relevant calendar quarter. For example, the fees for the first quarter (i.e., January, February, and March) are based on the ending account value as of March 31 and are due in April. Conversely, if your fees are due in advance, we calculate quarterly fees based on the ending value of your account as of the last day of the previous quarter. For example, fees for the first quarter (i.e., January, February, and March) are based on the account value as of December 31 and are due in January. Fees for partial periods will be

prorated based on the number of days for which you were a client.

When management fees are billed directly, payment is due within 30 days of the invoice. Where agreed upon, we will deduct our fees directly from the designated account; we typically will invoice your custodian in the first month following the recently completed calendar quarter. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts disbursed from your account including the amount of the advisory fee paid directly to our firm.

We encourage you to carefully review the statement(s) you receive from the qualified custodian. If you have questions or if you did not receive a statement from your custodian, call our main office number located on the cover page of this brochure.

Negotiability of Fees: We allow investment adviser representatives servicing the account to negotiate the exact investment management fees within the range disclosed in our Form ADV Part 2A Brochure. As a result, the Associated Person servicing your account may charge more or less for the same service than another Associated Person of our firm. Further, our annual investment management fee may be higher than that charged by other investment advisors offering similar services/programs.

Billing on Cash Positions: The firm treats cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating the firm's advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), the firm may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Billing on Margin: Unless otherwise agreed in writing, the gross amount of assets in the client's account, including margin balances, are included as part of assets under management for purposes of calculating the firm's advisory fee. Clients should note that this practice will increase total assets under management used to calculate advisory fees that will in turn increase the amount of fees collected by our firm. This practice creates a conflict of interest in that our firm has an incentive to use margin in order to increase the amount of billable assets. At all times, the firm and its Associated Persons strive to uphold their fiduciary duty of fair dealing with clients. Clients are free to restrict the use of margin by our firm. However, clients should note that any restriction on the use of margin might negatively impact an account's performance in a rising market.

Periods of Portfolio Inactivity: The firm has a fiduciary duty to provide services consistent with the client's best interest. As part of its investment advisory services, the firm will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when the firm determines that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, the firm's annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

Retirement Plan Fees

Fees for SIMPLE plans are based upon a percentage of plan assets or a fixed annual fee as agreed upon between the plan sponsor and us. The exact fee is negotiated on a case-by-case basis depending upon the plan's needs. Typically, fees will be payable quarterly in advance. The exact services to be provided, the fee to be paid by the client, fee payment arrangements, how to terminate the contract, and other terms will be clearly stated in the plan consulting agreement signed by the client and us. Typically, the Plan authorizes the Plan's recordkeeper (or other custodian of the Plan's assets) to remit the compensation directly to Sage Investment Counsel from Plan assets. Notwithstanding the Plan's obligation to pay compensation, the Plan may elect within its sole discretion to pay any or all compensation to Sage Investment Counsel in lieu of payment by the Plan; provided that any compensation remaining unpaid after thirty (30) days from date of invoice shall be due and payable immediately by the Plan.

C) Fees or expenses paid in connection with our advisory services

In addition to the advisory fee that clients pay us, clients also pay brokerage fees and fees charged by any mutual fund or exchange-traded fund (together, "fund") that they hold. There may also be incidental charges or fees charged by the custodian of your account for services that may or may not be related to trading.

For brokerage services, we recommend Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC for account brokerage and custodial services. Please see Item 12 of this brochure for more information about our brokerage practices and our relationship with Schwab.

Your investment return will be reduced by fees and expenses that a mutual fund or exchange-traded fund (together, "funds") that you hold charges. When evaluating our services, you should take into account both the fees that we charge and the fees charged by the funds in your account. Funds can charge management fees, fund expense fees, and distribution fees. Some mutual funds impose an initial or deferred sales charge (although we try not to buy funds that have sales charges for our clients). Funds deduct fees from your investment in the fund. You will find a description of a fund's fees and expenses in its prospectus. You can invest in a fund on your own, without using our services.

We currently recommend the use of Schwab as the custodian of your discretionary and non-discretionary accounts. However, as disclosed above shares of American Funds mutual funds are held with American Funds Service Company, a mutual fund transfer agent registered under the Securities Exchange Act of 1934. Where the client elects to have the advisory fee deducted from the account, American Funds will calculate the fees for those accounts on a periodic basis pursuant to the advisory agreement and will directly debit the account for the fees. American Funds will then remit payment of the fees to us. Clients will receive account statements directly from American Funds at least quarterly.

We may make trades as a block where possible and when we believe it is advantageous to our clients. This permits the trading of aggregate blocks of securities coming from or going to multiple client accounts. When your account participates in an aggregate trade, the price for the security will be the average cost per unit for the block.

Broker transaction costs are shared equitably among clients, but may still vary from account to account based on activity.

See section titled “Brokerage Practices” of this brochure for additional information.

D) Termination of advisory contract

If you did not receive our disclosure brochure document(s) at least 48 hours prior to signing a portfolio management agreement with our firm, you will have five (5) business days in which to cancel the agreement without penalty. Thereafter, either party may terminate the portfolio management agreement upon 30-days written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you are billed in arrears, any fees owed become due immediately. If you have pre-paid advisory fees in advance that we have not yet earned, you will receive a prorated refund of those fees.

E) Compensation for the sale of securities or other investment products

We do not accept compensation for the sale of securities. We do receive benefits (see section titled “Brokerage Practices”) through participation in the institutional service program at Schwab. However, the benefits we receive do not depend upon the amount of brokerage commissions we direct to them. One or more persons associated with our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to our clients. Insurance commissions earned by these persons are separate from and in addition to our advisory fees. The sale of insurance instruments and other commissionable products offered by our associated persons are intended to complement our advisory services. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is

appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement. Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who choose to purchase insurance services are under no obligation to do so through our licensed associated persons and may use any insurance brokerage firm and agent they choose.

Where fixed annuities are sold, clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In addition, many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Annuity guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

Item 6 Performance-Based Fees and Side-by-Side Management

In addition to charging an "Asset-based fee," or a fee as a percentage of assets under management or review, Sage Investment Counsel currently offers one investment program known as the "MAGI" where the fee is based solely on the performance of the client account. These accounts are primarily comprised of individual equity positions and for the most part considered "concentrated portfolios" as they generally hold less than 25 stocks or ETF's. All accounts will hold some level of cash. There is no annual management fee charged against a "MAGI" account; however, a negotiable monitoring fee of up to 0.25% may be charged as agreed upon and set forth in the advisory agreement between the client and us. Additionally, the performance portion of the fee will be based on a share of the capital gains/Dividends and Income or capital appreciation of the account for the contract period of the account (usually a 12-month period.) Each account in this program is subject to one or more "hurdles" which must be surmounted for the contract period in question before the fee can be calculated and invoiced.

The performance fee is subject to negotiation but cannot exceed 15% of the account Total Return for any given contract year. The hurdles may be negotiated. For example: An annual contract period hurdle of 6% return, plus additional hurdles such as a cumulative return of 6% since the inception of an account may apply. Each "MAGI" account may also include a "high water mark" based on the highest closing Net Balance recorded for previous contract years. The performance fee may be entirely eliminated or reduced if a previous anniversary "high water mark" is not reached. Each MAGI account is negotiated in advance as to these particulars and ruled by an agreement signed in advance by the client and Sage Investment Counsel. Each agreement is for a 12-month period and may be cancelled by either party, at any time, with 30 days written notice.

The account will incur additional execution-related expenses included but not limited to commissions, markups/markdowns, security exchange fees, foreign security fees or taxes, or other Custodial/Broker-Dealer fees. The annual return used to calculate the “Performance-based Fee” will be net of these account fees and expenses.

In the interest of full and fair disclosure and fully informed consent, the following possibilities arise from the Incentive Fee based on Performance:

Incentive fee arrangements may create an incentive for the Adviser to make investments that are more risky or speculative than might be the case in the absence of a fee based on performance. Investors are advised that the Adviser may receive increased compensation (compared to a fixed Asset-based fee) based on unrealized appreciation as well as realized gains on assets.

Sage Investment Counsel offers this “Performance-Based Fee” program only to “Qualified Investors” as defined by the Securities Exchange Commission Rule 205-3(d)(1).

Item 7 Types of Clients

We offer investment advice to individuals, pension and profit sharing plans, trusts, charitable organizations, and businesses.

We generally prefer that our clients have Total Investment accounts with a dollar value of at least \$2,000,000. Account minimums are negotiable, and can vary depending on the clients and our willingness at any time to undertake new business. In some cases, we would impose no minimum.

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

A) Method of analysis and investment strategy used in formulating investment advice

All investments contain some element of risk. We make no guarantee of investment success.

We try to mitigate risk by managing portfolios with a long-term approach to investing. Occasionally, we might use shorter-term strategies when buying or selling securities, but that is not our focus. Our strategy is to concentrate investments in a fewer number of holdings when possible. We believe this approach allows us to focus on our best investment ideas.

Client accounts may make use of money market funds to hold cash balances. Your account may also make use of mutual funds or exchange-traded funds.

You may not be invested in the same securities as other clients. For example, we may consider a security worth holding for a client who has already bought it, but determine that the same security is not priced low enough in relation to our estimate of its intrinsic worth to be an appropriate investment for a new

client, or for new additions of capital by existing clients. One outcome of this approach to investing is that newer clients often will not hold some securities that older clients have bought and continue to hold.

We often hold U.S. Treasury Inflation-protected security funds, Short-term Government and Corporate Bonds, Bond funds, ETF's, Money Markets, or Cash when we do not find stocks or other investments we want to buy.

In cases in which clients wish to be fully invested in equities at all times, or maintain an over-weighted position in a particular security, or wish to place constraints on ownership of certain securities, we can accommodate them. In most cases, however, we recommend that clients let us have the full range of discretion.

We use a variety of techniques, resources, and methods to help determine the types of securities we wish to own in your account. We also learn as much about you, your needs, and your goals as we possibly can before we make recommendations to you about your investments.

B) Risk involved in our investment strategies

Despite our belief in the long-term desirability of focusing capital in a relatively few securities, concentration can expose your portfolio to greater company-specific and industry-related risk, especially if one or more particular investments performs poorly. You should consider the risk that greater concentration poses, weigh it against the possible benefits (which are not guaranteed and may not occur), and seek investment advice elsewhere if you would prefer a more diversified approach.

Even a diversified portfolio of stocks can suffer losses, of course. Risk to investments can come from declines in all investment markets in general, or from declines to particular sectors or individual securities.

Global, national, and regional economic risks, such as war or recession, can also cause losses. Industry-specific and company-specific problems, such as changes in the nature of a business, or adverse legal or regulatory developments, are possible causes of loss as well.

Investments other than common stock can also suffer losses. For example, fixed-income instruments (such as bonds, notes, and bills) typically decline in value when interest rates rise (and increase in value when rates decline). Also, the bonds of a company that suffers a credit agency rating downgrade, or that cannot make scheduled bond payments, will generally decline in price.

Inflation may erode the purchasing power of an investment. It is possible that an investment that has returned a positive amount in nominal terms may not have kept up with inflation, particularly after taxes, and thus could still have a negative "real" (inflation-adjusted) return.

In some cases, we may use a combination of securities to allocate your assets and attempt to mitigate your risk through a balanced portfolio. Securities may include mutual funds, index funds, and ETF's. Other securities we may or may not use are individual equities or bonds. We attempt to mitigate some investment risk by diversifying your account across markets (i.e., Domestic, International, and Emerging) and market segments (i.e., Equities, Bonds, Cash.) For the most part we will use broadly-diversify mutual funds, indexes, and ETF's which will further help to mitigate some forms of investment risk.

However, as we stated above, Even a diversified portfolio of securities can suffer losses.

Although it is not part of our core strategy, from time-to-time, where suitable, clients with higher risk tolerance may elect to make use of the following investment strategies or techniques: hedging strategies (using options and margin transactions), short-selling, and/or short-term trading.

- Hedging Strategies using Options and Margin Transactions:
 - **Options** are complex securities that involve risks and are not suitable for everyone. Options trading can be speculative in nature and can carry a substantial risk of loss. It is generally recommended that you only invest in options with risk capital. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date"). The two types of options are calls and puts: A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires. A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires. Selling options is more complicated and can be even riskier.

Risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.
- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options, which do not have secondary markets on which to sell the options prior to expiration, can only realize their value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

Risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continue to risk a loss due to a decline in the underlying stock.

- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk unlimited losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options could lose more money than a short seller of that stock could on the same rise on that underlying stock. This is an example of how leverage in options can work against the options trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or if they are unable to perform a closing transaction.
- The value of the underlying stock may surge or ditch unexpectedly, leading to automatic exercises.

Other risks related to options include:

- The complexity of some option strategies is a significant risk on its own.
 - Option trading exchanges or markets and options contracts themselves are open to changes at all times.
 - Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
 - Risk of erroneous reporting of exercise value.
 - If an options brokerage firm goes insolvent, investors trading through that firm may be affected.
 - Internationally traded options have special risks due to timing across borders.
- **Margin** strategies allow an investor to purchase securities on credit and to borrow on securities already in their custodial account. Interest is charged on any borrowed funds for the period that the loan is outstanding. When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your broker/dealer. If you intend to borrow funds in connection with your account, you will be required to open a margin account, which will be carried by the broker/dealer of your account. The securities purchased in such an account are the broker/dealer's collateral for its loan to you. If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account. It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of our advisory services and held by your broker/dealer. These risks include the following:
 - You can lose more funds than you deposit in your margin account.
 - The broker/dealer can force the sale of securities or other assets in your account.

- The broker/dealer can sell your securities or other assets without contacting you.
 - You may not be able to choose which securities or other assets in your margin account are liquidated or sold to meet a margin call.
 - The broker/dealer may move securities held in your cash account to your margin account and pledge the transferred securities.
 - You may not be entitled to an extension of time on a margin call.
- **Short-term trading** generally holds a greater risk and clients should be aware that there is a material risk of loss using any of those strategies.
 - **Short-selling** involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales are the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

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

C) Risk involved in our security selection

While we may provide advice on a number of different types of securities, our primary focus is on exchange-listed and over-the-counter equity securities, mutual funds, ETF's and bonds issued by the United States government and United States corporations.

Concentrated Position Risk: Certain Associated Persons may recommend that clients concentrate account assets in an industry or economic sector. In addition to the potential concentration of accounts in one or more sectors, certain accounts may, or may be advised to, hold concentrated positions in specific securities. Therefore, at times, an account may, or may be advised to, hold a relatively small number of securities positions, each representing a relatively large portion of assets in the account. As a result, the account will be subject to greater volatility than a more sector diversified portfolio. Investments in issuers within an industry or economic sector that experiences adverse economic, business, political conditions, or other concerns will impact the value of such a portfolio more than if the portfolio's investments were not so concentrated. A change in the value of a single investment within the portfolio will affect the overall value of the portfolio and will cause greater losses than it would in a portfolio that holds more diversified investments.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may

cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Pandemic Risk: Large-scale outbreaks of infectious disease can greatly increase morbidity and mortality over a wide geographic area, crossing international boundaries, and causing significant economic, social, and political disruption. It is difficult to predict the long-term impact of such events because they are dependent on a variety of factors including the global response of regulators and governments to address and mitigate the worldwide effects of such events. Workforce reductions, travel restrictions, governmental responses and policies and macroeconomic factors could negatively impact investment returns.

Preferred Securities Risk: Preferred Securities have similar characteristics to bonds in that preferred securities are designed to make fixed payments based on a percentage of their par value and are senior to common stock. Like bonds, the market value of preferred securities is sensitive to changes in interest rates as well as changes in issuer credit quality. Preferred securities, however, are junior to bonds with regard to the distribution of corporate earnings and liquidation in the event of bankruptcy. Preferred securities that are in the form of preferred stock also differ from bonds in that dividends on preferred stock must be declared by the issuer's board of directors, whereas interest payments on bonds generally do not require action by the issuer's board of directors, and bondholders generally have protections that preferred stockholders do not have, such as indentures that are designed to guarantee payments – subject to the credit quality of the issuer – with terms and conditions for the benefit of bondholders. In contrast, preferred stocks generally pay dividends, not interest payments, which can be deferred or stopped in the event of credit stress without triggering bankruptcy or default. Another difference is that preferred dividends are paid from the issuer's after-tax profits, while bond interest is paid before taxes.

As discussed above, the securities that we focus on carry systematic risk (associated with fluctuation in the general level of securities prices and overall market risks), and unsystematic risk (associated with individual events that affect a particular security). Even a security we analyze properly may lose money for our clients. We analyze securities in good faith, but our judgment may be incorrect, causing losses for our clients.

Item 9 Disciplinary Information

With regard to the regulatory record of our firm and employees:

- A) Our firm and employees have not been involved in any legal event involving a criminal or civil action in a domestic, foreign, or military court of competent jurisdiction.
- B) Our firm and employees have not been involved in any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority.
- C) Our firm and employees have not been involved in a self-regulatory organization proceeding.

Item 10 Other Financial Industry Activities and Affiliations

A) Broker-dealer registration

Neither the firm nor any of our management persons are registered as, or have pending applications to register as, a broker-dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or as an associated person of any the foregoing types of entities.

B) Other industry registrations

Insurance Activities

Please refer to Item 5 above for information about compensation received by licensed individuals associated with our firm for the sale of insurance products. Clients are under no obligation to utilize the insurance services offered through persons associated with our firm.

C) Affiliations

Not applicable.

D) Selection of other investment advisers

Occasionally we will recommend other investment advisers to our clients. We receive no compensation directly or indirectly from these investment advisers that would create a material conflict of interest. These investment Advisers charge their own fees. On occasion we are able to negotiate lower fees for you with these advisers but we make no guarantee that this will always be the case.

We receive no compensation if we refer you to a lawyer, accountant, or other professional.

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

A) Code of Ethics

We have adopted a Code of Ethics that affirms our investment policies and fiduciary duties to our clients. We will be happy to send you a copy of this Code of Ethics upon request. You can also find a copy of our Code of Ethics on our web site at www.SageInv.com.

B) Recommendation of securities to clients in which our firm or a related person has a material financial interest

We do not recommend securities to you for which our firm or employees have a material financial interest.

C) Investment in the same securities as clients

Our firm and our employees may buy or sell securities identical to those we recommend to you. We have a policy that no person employed by us may purchase or sell a security in such a way as to disadvantage you. We have established the following procedures to avoid a conflict of interest so that we can meet our fiduciary responsibilities to you:

- Our firm and employees shall not buy or sell securities for their portfolios when their decision is derived from information gathered while working at our firm, unless the information is also available to the investing public on inquiry.
- Our firm and employees shall not make any personal gain from the market impact of a trade by our firm on your behalf.
- Our list of securities holdings for everyone associated with our firm is updated daily.
- We require that our employees act in accordance with applicable federal and state laws, and rules and regulations governing registered investment advisory practices.
- Employees not in observance of the above are subject to termination.

D) Timing of the firm's or related person's trading

We allow our firm and employees to trade securities at the same time we trade for you, if the trading is done as part of an allocated trade where clients and the firm/employees are on equal footing. We do not allow the firm and our employees to use trading to take advantage of clients, and we and they cannot knowingly trade before clients.

Item 12 Brokerage Practices

A) Factors for selecting broker-dealers

Sage Investment Counsel has an institutional custodial relationship with Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC. Schwab Advisor Services is Schwab's business serving independent investment advisory firms like us. We are independently owned and operated and not affiliated with Schwab. Schwab will hold your assets in a brokerage account and will buy and sell securities in your account(s) upon our instructions. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and you will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you.

Your Custody and Brokerage Costs

Schwab generally does not charge you separately for custody services, but is compensated by charging commissions or other fees on trades that it executes or that settle into your Schwab account. However, Schwab offers commission-free trades for certain online transactions, including equities and exchange traded funds ("ETFs").

In addition to commissions, Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account.

A1) Research and other soft dollar benefits

Sage Investment Counsel receives some economic benefits from Schwab Advisor Services in the form of access to its institutional brokerage, trading, custody, reporting and related services, many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we do not have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. If we have less than \$10 million in client assets at Schwab, Schwab may charge us quarterly service fees. Below is a detailed description of Schwab's support services.

Services that Benefit You: Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You: Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or some substantial

number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping, and client reporting.

Services that Generally Benefit Only Us: Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants, and insurance providers.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also discounts or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab also offers us other benefits such as occasional business entertainment of our personnel.

Additionally, we have received certain hard dollar benefits from Schwab to help us pay for certain transition costs, software purchases, and compliance assistance services. Clients should be aware of this conflict and take it into consideration in making a decision whether to custody their assets with firms recommended by our firm. However, Sage Investment Counsel understands its duty for best execution and considers all factors in making recommendations to clients. These additional services may be useful in servicing all Sage Investment Counsel clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While we may not always obtain the lowest commission rate, Sage Investment Counsel believes the rate is reasonable in relation to the value of the brokerage and research services provided.

Schwab Securities Lending Program

Through your relationship with Schwab, you are able to enroll in Schwab's fully paid Securities Lending program, which enables qualified investors to lend fully paid-for securities to Schwab. Schwab earns revenue from lending these securities to other clients of Schwab and a portion of that revenue is shared with you and Sage Investment Counsel. If you elect to participate in this program, Sage Investment Counsel will receive compensation from Schwab. The receipt of this extra compensation creates a conflict of interest. This conflict triggered because this extra compensation may cause our firm to hold a security in your account that would otherwise be liquidated, but not for receipt of additional compensation. This conflict is mitigated by our adherence to our fiduciary obligations and the requirement that investment decisions made by the Associated Person servicing your account must be in your best interest. Additionally, if an account holds these positions, Sage Investment Counsel's

compensation will increase nominally, but the security will also generate income for your account. Not all accounts or clients qualify for this program.

A2) Brokerage for client referrals

We do not recommend broker-dealers based on referrals.

A3) Directed Brokerage

As mentioned above in this section, we ask you to allow us to control the selection of the broker/dealer used for your account. We do this because we believe there are great efficiencies to be had from concentrating our volume with a limited number of brokerage firms.

If you direct us to use a particular broker-dealer, and if we made an exception and consented to this restriction, you should understand that we may not be authorized to negotiate trading costs and may not be able to achieve volume discounts or best execution for you. Under these conditions, you might pay higher trading costs and commissions than other clients.

Where appropriate based on the Client's individual circumstances, we may recommend that the Client open an account with American Funds typically to purchase F-2 Class Shares as all or part of their investment portfolio at American Funds whereby American Funds acts as transfer agent. We also provide management and/or consulting services for college savings plans and retirement plans through American Funds and/or its affiliates.

B) Aggregate trades

When we have a trade to do for multiple clients, we may place the trade in a block. When we make a block trade, we use the block-trading methodology provided by Schwab.

Item 13 Review of accounts

A) Frequency and nature of reviews

William Dirk Calvin, CEO, or Jackson Calvin, CFO, CCO, and/or the investment adviser representative assigned to your account monitors accounts on a continuous basis and performs frequent internal reviews of your accounts to analyze funds available, asset weightings, and asset mixes. Account performance reports are generated and evaluated at a minimum of once per quarter. We recommend a formal review with the client at least annually.

B) Other than periodic review of accounts

We may make a more frequent review of your account if there are unusual market, economic, or political events, if there is a significant change in your life or circumstances, or if there is a need or

opportunity to execute a trade.

C) Reports provided to clients

We write and send periodic newsletters to our clients. Account Performance reports are generated every calendar quarter for internal review; copies are available to clients upon request. Clients may view the holdings, allocations, and performance of all the accounts we manage or monitor for them on a daily basis by accessing the client web portal of Schwab or on the client web platform of our third-party performance measurement service. Clients must request and receive credentials to access these platforms.

See section titled “Custody” below for reports that your custodian will provide to you.

Item 14 Client Referrals and Other Compensation

A) Economic benefits to our firm from sources other than clients

We receive payments for our services only from clients.

However, as described in Item 12 above, we receive economic benefits from our custodial broker dealer in the form of support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at these custodial broker dealers. The availability of custodial products and services is not dependent upon or based on the specific investment advice we provide our clients, such as buying or selling specific securities or specific types of securities for our clients. The products and services provided by the custodial broker dealer, how they benefit us, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices).

B) Compensation

We do not compensate any person outside of our firm for client referrals.

Item 15 Custody

We do not have physical custody of any of your funds and/or securities. However, we are deemed to have limited or constructive custody over your funds or securities solely because of the fee deduction authority granted by you. We maintain safeguards in accordance with regulatory requirements regarding custody of client assets. Your funds and securities will be held with an unaffiliated bank, broker-dealer, or other independent, qualified custodian. In some cases, as paying agent for our firm, the account custodian will calculate the advisory fee based on your advisory agreement with us; and they will directly debit your account(s) for the payment of our advisory fees.

Statements and confirms are sent to you by the custodian of your account. The statements may be monthly or quarterly. The statement will show all cash, cash-equivalents, and security transactions in your account, as well as, account balances and market value of your account.

You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have questions or if you did not receive a statement from your custodian, please contact us at (615) 591-1210.

Item 16 Investment Discretion

If we manage your account on a discretionary basis, you give our firm written authority to determine the securities we buy or sell for you, the amount of securities we buy or sell for you, and to determine the broker-dealer we use for your securities transactions. In some cases, you may impose limitations on our discretionary authority.

Item 17 Voting Client Securities

We do not accept authorization to vote proxies on behalf of clients. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you or your designated representative are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitations to vote proxies. If you have questions about a particular proxy voting matter, you can contact us at (615) 591-1210.

Item 18 Financial Information

We are required in this Item to provide you with certain financial information or disclosures about our firm's financial condition. We do not require the prepayment of over \$1,200, six or more months in advance. Additionally, we have no financial commitment that impairs our ability to meet contractual commitments to clients, and we have not been the subject of a bankruptcy proceeding.



Privacy Notice

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

INFORMATION WE COLLECT

Sage Investment Counsel LLC (Sage) must collect certain personally identifiable financial information about its customers to provide financial services and products. The personally identifiable financial information that we gather during the normal course of doing business with you may include:

- information we receive from you on applications or other forms;
- information about your transactions with us, our affiliates, or others;
- information we receive from a consumer reporting agency.

INFORMATION WE DISCLOSE

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted or required by law, or as necessary to provide services to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as our attorneys, accountants, auditors, and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

CONFIDENTIALITY AND SECURITY

We restrict access to nonpublic personal information about you to those Employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

Changes to Our Privacy Policy

In the event there is a material change to our privacy policy regarding how we use your confidential information, we will provide written notice to you. If applicable, we will provide you with an opportunity to limit or opt out of such disclosure arrangements.

ACCURACY

Sage strives to maintain accurate personal information in our client files at all times. However, as personal situations, facts and data change over time; we encourage our clients to provide feedback and updated information to help us meet our goals.

If have questions or need to update your information, please contact our Chief Compliance Officer at 615-591-1210, or email us at info@SageInv.com.