

**Part 2A of Form ADV: *Firm Brochure***

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**This brochure (“Brochure”) provides information about the qualifications and business practices of SAGE Advisors, LLC (“Sage”). If you have any questions about the contents of this Brochure, please contact us at (212) 850-4260 or [compliance@ceritypartners.com](mailto:compliance@ceritypartners.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.**

**Sage is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. Additional information about Sage is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sage is 148964.**

**Item 2.           Summary of Material Changes**

This item of the Brochure discusses only specific material changes that have been made to the Brochure since the last annual update, which was March 31, 2023. Sage has made certain material changes to this Brochure.

- As of March 25, 2024, Sage Advisors' Chief Compliance Officer is Arthur Prostick.

**Item 3. Table of Contents**

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#### **Item 4. Advisory Business**

SAGE Advisors, LLC (“Sage”), a Delaware limited liability company, is an SEC registered investment adviser with its principal place of business located in New York, New York. Sage began conducting business in 2009 as a wholly owned subsidiary of EMM Group, LLC, continuing the business of its predecessor firm, Sage Partners, LLC, which was formed in 1988.

As of January 1, 2020, Sage is wholly owned by Cerity Partners LLC (“Cerity Partners”), an SEC registered investment adviser offering customized financial advice. Cerity Partners formed as a limited liability company in August of 2009 under the laws of the state of Delaware. Cerity Partners is owned by Cerity Partners Equity Holding LLC. Cerity Partners Equity Holding LLC is owned Cerity Partners EOE LLC which is owned by certain employees of Cerity Partners, funds affiliated with Genstar Capital Partners LLC (“Genstar”) and Lightyear Capital LLC (“Lightyear”). Genstar, Lightyear and their affiliates do not have any role in the Firm’s investment process related to the management of client assets.

#### Private Fund Management

Sage’s principal investment advisory activity is the management of private investment partnerships (each a “Fund” and, collectively, “the Funds”). Sage is the investment adviser and general partner to three of these Funds, and the remaining Funds, Sage is the investment manager or sub-adviser. Sage also provides administrative management services to unaffiliated funds. The breakdown of Sage’s Funds presently include:

Sage is the investment adviser and general partner;

- Hampshire Associates Fund, L.P., Hampshire Associates Fund QP, L.P. Hampshire Institutional Fund, L.P. (collectively known as the “Hampshire Funds”)

Sage is the investment manager to Funds of an unaffiliated general partner;

- Global Equity Access Fund, L.P., Algonquin Special Opportunities Fund I, L.P., Algonquin Middle Market Opportunities Fund, L.P., AMMOF Ltd. , AMMOF AIV, L.P. (Collectively known as “Algonquin Funds”)
- Liberty Permit Energy Infrastructure Fund LP, Liberty Permit Energy Infrastructure Fund (Cayman) LP., One Tower Curtain, LLC, One Tower Kudzu, LLC, One Tower Mass, LLC, One Tower Quahog, LLC, One Tower Atlantic, LLC, One Tower Biscotti, LLC, , One Tower Magellan, LLC, One Tower Guava, LLC, Permit QOZ Fund, Philadelphia Community Impact Fund, LLC, GW Equity Fund, LLC, (collectively known as “Permit Funds”)
- Countervailing Private Equity Fund, LP (also known as “CVPE”)

Sage is the investment sub-adviser;

- MAI Wealth Private Equity Fund, L.P., Permit Capital International Fund, L.P., Permit Capital Fund, L.P. (“collectively known as “sub-advised Funds”)

Sage provides administrative management services to unaffiliated funds:

- Avonwood Capital, LP (Adam Landau, Partner of Cerity Partners, is a member of the board of directors of Avonwood Capital, LP and certain clients of Cerity Partners are members

of the general partner of Avonwood Capital, LP To mitigate this conflict, Sage no longer recommends Avonwood Capital, LP to its clients.)

- Saxbys Growth Equity Fund, LLC

The Funds invest primarily with unaffiliated investment managers (“Managers”): (i) pursuant to separately managed account arrangements (the “Advisory Accounts”) (ii) via investments in pooled investment vehicles sponsored by such Managers, including, but not limited to, hedge funds, private equity funds, mutual funds, and ETFs (the “Investment Vehicles”), as well as private equity and/or in limited circumstances Funds make a direct investment in an operating business. Investment managers of Advisory Accounts and the Managers of Investment Vehicles are collectively referred to as “Portfolio Managers.”

The Funds are managed on a discretionary basis in accordance with the investment objectives and policies set forth in each Fund's Private Placement Memorandum and Limited Partnership Agreement (collectively, “Governing Documents”). Sage has discretion to select the Portfolio Managers and other investments and to determine the allocation and cash balances of each of the Funds.

Hampshire Institutional Fund, L.P. and Hampshire Associates Fund, L.P. were formed in 1988 and Hampshire Associates Fund QP, L.P. was formed in 2004. Each is a Delaware limited partnership, operating as a private investment partnership. Sage selects multiple advisers for the Hampshire Funds and allocates assets for discretionary management to non-affiliated Portfolio Managers. Sage seeks capital preservation and above average risk adjusted returns for the Hampshire Funds through the use of a “multi-manager diversification” strategy. These Funds have a broad range of the type of investments they may invest in. Sage allocates Fund assets to Portfolio Managers with expertise in a variety of strategies.

Sage began providing investment advisory services to the Algonquin Funds as of December 1, 2020, to the Permit Funds as of April 24, 2022, and to the CVPE Funds as of December 1, 2022. The Algonquin Funds and Permit Funds are unaffiliated, and Sage is not the general partner, however, certain persons of Sage’s affiliate, Cerity Partners, are managing members and/or hold ownership in the general partner of the Algonquin Funds and Permit Funds. Investment advisory clients of Cerity Partners are also limited partners of the Algonquin Funds, Permit Funds, and CVPE. The MAI Wealth Private Equity Fund, L.P., Algonquin Special Opportunities Fund I, L.P., Algonquin Middle Market Opportunities Fund, L.P., AMMOF Ltd. and AMMOF AIV, L.P., One Tower Curtain, LLC, One Tower Kudzu, LLC, One Tower Mass, LLC, One Tower Quahog, LLC, One Tower Atlantic, LLC, One Tower Biscotti, LLC, One Tower Magellan, LLC, One Tower Guava, LLC, Permit QOZ Fund, GW Equity Fund, LLC, Liberty Permit Energy Infrastructure Fund LP, Liberty Permit Energy Infrastructure Fund (Parallel) LP and CVPE are closed to new investors prior to Sage becoming the investment adviser.

Sage utilizes the services of the Cerity Partners research team (“Research Team”) to conduct due diligence on each prospective Portfolio Manager and/or direct investment prior to investment. Sage selects Portfolio Managers and/or direct investment and allocates Fund Assets to such Portfolio Managers and/or direct investment based on various factors including, but not limited to,

performance history, management style and allocation, quality of advisory services rendered, background of personnel and other factors determined during the qualitative and quantitative due diligence. Sage, through the Research Team, regularly monitors the activities and investment performance of each selected Portfolio Manager and/or direct investment. Sage has the authority to increase or reduce allocations of fund assets among such Portfolio Managers, and remove or replace Portfolio Managers, reinvest in or dispose of direct investments, as appropriate. Where Sage employs a “fund-of-funds”/“manager-of-managers” approach to investing, outside of Fund investments in pooled investment vehicles sponsored by Portfolio Managers, Sage does not invest the Funds’ assets in securities or derivative instruments, except for the selection of temporary money market instruments, mutual funds, exchange-traded funds (“ETFs”) or options on market indices. Where Sage makes direct investments, it may invest in a variety of securities offered by an issuer.

Sage’s investment committee makes Fund asset allocation determinations based on a broad range of factors, including, but not limited to, the Fund’s investment strategy, guidelines, restrictions, diversification requirements, risk parameters and tolerances and Sage’s macro view of the markets. In connection with the foregoing determinations, prior to finalizing allocations, Sage reviews each direct investment and each Portfolio Manager’s investment style/strategy to determine how such style/strategy fits into the asset allocation criteria enumerated above.

The Funds are the only clients to which Sage provides investment advisory services. Sage provides investment advice solely to each Fund based on the Fund’s investment strategy, guidelines, restrictions, and other relevant criteria. As such, Sage does **not**, directly or indirectly, provide individualized advice to investors in the Fund based on the individual needs, strategies, guidelines, restrictions and/or goals of such investors. Sage typically does not accept specific investment restrictions imposed by investors in the Funds. However, in connection with the investment advisory services Cerity Partners provides to its own clients, Cerity Partners has, where appropriate and consistent with such clients’ investment strategies, guidelines, restrictions, liquidity needs and other relevant criteria, recommend to such client’s investments in one or more Funds managed by Sage. To date, a significant proportion of the investors in the Funds have been Cerity Partners advisory clients.

Sage does not participate in “wrap fee arrangements”.

#### Amount of Managed Assets

As of December 31, 2023, Sage has assets under management totaling \$538,074,442. Of that total, \$296,359,842 is managed on a discretionary basis and \$241,714,600 is managed on a non-discretionary basis.

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

***It is critical that investors and prospective investors refer to each Fund’s Governing Documents for a complete understanding of how Sage is compensated by each Fund for its advisory services, of the fees and expenses investors may pay and how those fees and expenses are deducted from investors’ assets, and of investors’ withdrawal and redemption rights. The***

***information contained in this Brochure is a summary only and is qualified in its entirety by the Governing Documents.***

### Management Fee

The Hampshire Funds pay Sage an annual investment management fee, paid quarterly in arrears by each Hampshire Fund out of its assets.

- For the Hampshire Associates Fund, L.P., and Hampshire Associates Fund, QP, L.P., the management fee is equal to 0.3125% per quarter (1.25% per annum) of the Fund's average net asset value (computed by averaging the Fund's net asset value on the first and last day of the calendar quarter).
- For the Hampshire Institutional Fund, L.P., the management fee is equal to 0.25% per quarter (1.0% per annum) of the Fund's average net asset value (computed by averaging the Fund's net asset value on the first and last day of the calendar quarter).

The Algonquin Funds, Permit Funds, and CVPE pay Sage a management fee quarterly in advance as described in each of the Funds' Governing Documents.

Capital contributions accepted after the commencement of a calendar quarter will be subject to a pro-rated management fee reflecting the period between the dates such contribution was accepted and end of the quarter. Individual limited partners are able to withdraw from the Funds pursuant to the terms of the Fund's Governing Documents.

To the extent any Fund or Sage terminates such Fund's investment advisory agreement with Sage during a quarter, Sage will return to the Fund any prepaid, unearned fees (determined on a pro rata basis, based on the number of days elapsed during the applicable quarter), and any earned, unpaid fees will be due and payable by the Fund.

To avoid having an advisory client of Cerity Partners paying Cerity Partners and its affiliates multiple fees on the same assets invested with Cerity Partners and its affiliates, Sage or Cerity Partners and its affiliates waive (and may waive for future advisory clients) its management fees with respect to the portion of such client's assets: (i) that are invested in one or more of the Funds (ii) with respect to which Cerity Partners or Sage (as applicable) separately receives an asset-based investment advisory fee.

Notwithstanding any of the foregoing, Cerity Partners client assets that are invested in a Fund will be subject to, and bear, their share of any management and performance-based fees charged to the Fund by Portfolio Managers in addition to any management fees they pay Cerity Partners or Sage.

Sage has waived or may waive (in its sole discretion) all or a portion of its management fees with respect to the Hampshire Funds' investors that are: (i) employees of Sage or Cerity Partners or (ii) affiliates of Sage.

### Additional Fees and Expenses

Prospective investors in the Funds should note that they will incur two layers of fees: (i) a management fee payable directly to Sage (or, in the case of a management fee waiver implemented

by Sage, a management fee payable to Cerity Partners) as well as (ii) the management fees, incentive fees and other associated fees charged to the Funds by the Portfolio Managers or unaffiliated general partners of the Algonquin, CVPE, and Permit Funds (which, as a result, are indirectly borne by the Funds' investors).

The Hampshire Funds will bear all of its Administrative Expenses (as defined in each Fund's Governing Documents), except to the extent that such expenses in any fiscal year exceed 0.5% of the average of each Hampshire Funds' net assets at the first and last day of such fiscal year ("Cap"). The General Partner will bear the Administrative Expenses of each Hampshire Fund to the extent that such expenses in any fiscal year exceed the Cap. The Algonquin and Permit Funds will bear all of its Administrative Expenses, as defined in each of the Fund's Governing Documents.

Subject to the terms set forth in the Governing Documents of the applicable Hampshire Funds, including any expense limits set forth therein, each Hampshire Fund will also typically bear its own allocable share of office rent, equipment, office supplies, salaries and other overhead expenses incurred by Sage, an allocable portion of premiums for insurance covering the Hampshire Funds' general partner and its members, officers, employees and affiliates, and fees and expenses of any administrator retained to provide registrar, transfer agent, accounting and administration services to the Hampshire Funds. To the extent Hampshire Funds' expenses exceed any applicable limit(s) set forth in the applicable Hampshire Funds' Governing Documents, the portion of such Hampshire Funds' expenses in excess of such limit(s) will be borne by Sage. SS&C Technologies Holdings, Inc. ("SS&C") has been appointed as the Hampshire Funds' administrator pursuant to an administration agreement. The administrator receives fees paid by the Hampshire Funds based upon the nature and extent of the services performed by the Administrator for the Hampshire Funds. Cerity Partners is reimbursed out of the applicable Hampshire Funds' from such Funds' management fee for the cost of salaries, office space, computer, tax, accounting, and other professional and administrative services that Cerity Partners provides to Sage on behalf of such Hampshire Fund. Sage does not reimburse Cerity Partners for the due diligence services Sage receives from the Research Team. The fees payable to SS&C and Cerity Partners in relation to the administrative services they provide to a Hampshire Fund are subject to certain limits as described in such Hampshire Funds' respective Governing Documents. Pursuant to certain administrative manager agreements, Cerity Partners is reimbursed by the applicable Algonquin, CVPE, and Permit Funds' from such Funds' management fee for the cost of salaries, office space, computer, tax, accounting, and other professional and administrative services that Cerity Partners provides to the unaffiliated general partners of the Algonquin and Permit Funds.

Each Fund also bears, directly or indirectly, all other investment, operating and business related expenses (irrespective of whether such expenses are incurred in connection with the services such Fund receives from Sage or a Portfolio Manager), which include, but are not limited to, interest expenses, brokerage commissions, consulting fees, custodial fees, taxes, legal and accounting expenses, and any other expenses which Sage reasonably determines should not properly be considered administrative expenses of the Fund (and, therefore, would not be subject to the Fund's administrative expense limits describe above).



The Funds bear all expenses incurred in connection with the offer and sale of interests in a Fund. Any referral or placement agent fees paid to third parties (for directing assets to the Funds) are paid out of the applicable Funds' management fees (and, therefore, will typically not be borne directly or indirectly by Fund investors).

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

Sage may charge or share in a fee based on a share of capital gains on or capital appreciation of the assets of a client, as described in the Funds' applicable Governing Documents.

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

As noted in the Advisory Business section (Item 4) of this Brochure, Sage provides investment advisory services to the Funds, and each has a different investment objective and strategy, as set forth in their applicable Governing Documents.

Interests in each of the Funds are offered (or were offered, during a Fund's applicable offering period) to qualified investors in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act").

Investors in the Funds must meet certain eligibility requirements. Specifically, interests in the Funds are generally offered only to U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")), who are "accredited investors" and "qualified clients" for the purposes of Regulation D under the Securities Act and, for investments in certain of the Funds, "qualified purchasers" as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, as amended. Investors in the Funds are typically high net worth individuals and a significant proportion of investors in the Funds are investment advisory clients of Cerity Partners. The Funds are not registered under the Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance upon one or more exclusions from the definition of "investment company" therein.

The minimum initial investment in the Hampshire Funds is \$1,000,000, unless reduced or waived by the applicable Hampshire Fund's general partner in its sole discretion. The minimum initial investment for the Algonquin and Permit Funds are described in the Governing Documents of those Funds.

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

##### Investment Strategy and Investment Process

The investment objectives for the Hampshire Funds are to achieve capital preservation and above-average risk-adjusted returns through the use of a "multi-manager diversification" strategy. Sage seeks to achieve these investment objectives by utilizing a "multi-style, multi-manager diversification" strategy, an investment strategy under which assets are invested through various Portfolio Managers. The investment committee (the "Investment Committee") is responsible for reviewing the results of its Research Team's due diligence analysis of various Portfolio Managers. Sage utilizes the services of the Cerity Partners Research Team, which reports to the Investment

Committee and is shared by Sage and Cerity Partners. Sage manages the investment objectives of the Algonquin, CVPE, and Permit Funds, according to Fund's Private Placement Memorandum.

The Research Team is responsible for sourcing, identifying, and presenting to the Investment Committee for consideration prospective direct investments and Portfolio Managers consistent with the Committee's asset allocation mandates and macro-economic forecasts and conducting due diligence required to assess each Portfolio Manager's process, operations and potential to meet its investment objectives. Through this process, the Research Team will screen direct investments and Portfolio Managers before identifying a small number it deems to have the potential to meet Sage's needs. The Research Team will conduct reviews of such direct investments and Portfolio Managers' and their investment products. Such a review may comprise:

- a) a quantitative review of the Portfolio Manager's performance using risk systems
- b) a qualitative review of the Portfolio Manager's strategy, background, team, management practices
- c) operational review
- d) a document review relating to the offering documents of the Portfolio Manager's investment products
- e) any additional review, as deemed appropriate by the Research Team, the Investment Committee, or Compliance

As noted above, the Research Team conducts due diligence reviews of its direct investments and Portfolio Managers; the depth and scope of such due diligence reviews varies from one Portfolio Manager to another based on the type of investment vehicle. For example, the scope and depth of due diligence undertaken by the Research Team in respect of a Portfolio Manager whose mutual funds, ETFs and/or index funds are being evaluated by Cerity Partners as prospective client investments will typically be more curtailed than the scope and depth of due diligence the Research Team may undertake in respect of a prospective Portfolio Manager that manages riskier products or otherwise utilizes riskier investment strategies (e.g., private equity funds, separately managed accounts, and alternative investment strategies). This due diligence process results in a selection of direct investments and Portfolio Managers who invest in securities across a wide range of asset classes.

The Research Team's due diligence of recommended Portfolio Managers, pooled investment vehicles and other investment products may, where deemed appropriate by Cerity Partners, include: (a) conducting personal interviews with Portfolio Managers; (b) reviewing performance records; (c) reviewing the Portfolio Manager's marketing and other materials; (d) reviewing the Portfolio Manager's organizational structure and decision making processes; and (e) reviewing governmental and other available documents. The analysis process includes both objective and subjective criteria.

It is then the Investment Committee's responsibility to evaluate, approve, and allocate assets among the direct investments and the selected Portfolio Managers. The Investment Committee utilizes this "multi-style, multi-manager" concept when identifying the most appropriate investment managers to serve as Portfolio Managers and determining the portion of the Funds' assets to be committed to each Portfolio Manager. The Investment Committee monitors the

activities and performance of Portfolio Managers to ascertain adherence to stated investment goals and strategies and has authority to increase, reduce or totally remove allocations to such Portfolio Managers and direct investments. Sage, on behalf of the Funds, has, at times, (i) selected temporary money market instruments and (ii) sought to hedge or create exposure to markets or indices by, for example, investing in covered or uncovered put or call options, including, but not limited to, put and call options on various market indices, futures contracts, and options on futures contracts.

Portfolio Managers are selected by Sage, in part, on the basis of above-average risk-adjusted investment performance track records. Portfolio Managers selected by Sage generally have their own investment styles and bring a diversity of investment approaches and strategies to the management of their assigned portions of the Funds' assets. Additionally, in selecting Portfolio Managers, Sage seeks a demonstrated ability to adhere to a disciplined approach to investing and an ability to produce consistent returns over a period of years. Further, Sage considers each Portfolio Manager's ability to control risk so as to enhance and preserve assets in a falling market as well as to participate meaningfully in a rising market. By selecting Portfolio Managers whose investment styles and techniques, collectively, have generally produced consistent and above-average risk-adjusted results in both rising and falling markets (in relation to similarly situated/peer group investment managers), Sage seeks to achieve more consistent returns and above-average results over a period of time.

Certain Fund assets are invested with Portfolio Managers whose investment styles and philosophies focus on long-term, value-oriented equity securities of United States issuers that are traded on national exchanges. However, particular Portfolio Managers are authorized to invest in and trade other securities and derivative instruments or follow specialized investment techniques. Accordingly, in circumstances deemed appropriate by the Portfolio Managers which have been duly authorized, Portfolio Managers may make investments in (i) initial public offerings and "new issues," (ii) "special situations" (including risk arbitrage transactions involving the purchase of securities of companies which are (or are believed may be) the subject of acquisition attempts, exchange offers, cash tender offers or corporate reorganizations), (iii) distressed securities, (iv) convertible securities, (v) bonds or other fixed-income securities, (vi) foreign securities, (vii) REITs and other real estate related securities, and (viii) derivative instruments related to such securities (e.g., options) that are traded in the over-the-counter market. An appropriately authorized Portfolio Manager may also utilize short sales, leverage, swaps, repurchase agreements and certain futures, options, and other derivative instruments.

Unlike many investment advisers who, as a matter of investment policy, diversify portfolio holdings so that no more than a fixed percentage of their assets are invested in any one industry or group of industries, Sage has not established fixed guidelines regarding diversification of investments to be followed by the Portfolio Managers. Portfolio holdings may be concentrated in a direct investment or those securities which the Portfolio Managers believe offer the optimal opportunity for "risk-adjusted" returns.

## Risks

All investments risk the loss of capital. No guarantee or representation is made that a Fund will achieve its investment objectives. The investments of the Funds or the Portfolio Managers may utilize highly speculative investment techniques, including, but not limited to, non-U.S. securities, leverage, currency speculation, short sales, and option transactions. Accordingly, an investment in the Funds is speculative and involves certain considerations and risk factors which prospective investors should consider before subscribing. The Funds may also be subject to significant volatility. All securities, investments, and trading strategies involve substantial risks. Trading may, in some circumstances, be speculative, prices may be volatile, and market movements are difficult to predict. In addition, government activities, especially those of the Federal Reserve System and foreign central banks, have a profound effect on interest rates, which in turn can affect the prices of securities and other instruments held by the Funds.

The Funds' investment programs include the selection of Portfolio Managers who may, from time to time, utilize such investment techniques as limited diversification, which practices can, in certain circumstances, maximize the adverse impact to which the Funds' portfolios may be subject. To the extent the Portfolio Managers pursue investment opportunities in undervalued and distressed securities and "special situations," there is an inherent uncertainty in the appraisal of future values and a risk of loss of capital. In addition, the Funds are subject to the risk that changes in the general level of interest rates may adversely affect the Funds' investments in fixed income securities and the Funds' operating results.

***There can be no assurance that the Funds will achieve their investment objectives. An investment in the Funds may be deemed speculative and is not intended as a complete investment program. Investments in the Funds are designed only for experienced and sophisticated persons who are able to bear the risk of substantial impairment or total loss of their investment. For a complete explanation of all relevant risks, investors and potential investors should review the applicable Fund's Governing Documents, which discusses the factors noted below as well as other risk factors.***

***Dependence Upon the General Partner.*** Each Fund's success will depend on the management of the Fund's General Partner and on the skill and acumen of the General Partner's Investment Committee members and other key personnel. As a Limited Partner, you should be aware that you will have no right to participate in the management of a Fund, and you will have no opportunity to select or evaluate any of a Fund's investments or strategies. Accordingly, you should not invest in a Fund unless you are willing to entrust all aspects of the management of the Fund and its investments to the discretion of the General Partner.

***Absence of Regulatory Oversight.*** While the Funds may be considered similar to investment companies, they are not registered as such under the 1940 Investment Company Act (in reliance upon an exemption available to privately offered investment companies), and, accordingly, the provisions of the 1940 Investment Company Act (which, among other things, require investment companies to have a majority of disinterested directors and which regulate the relationship between the adviser and the investment company) are not applicable.

***Business and Regulatory Risks of Hedge Funds.*** The Funds, the Portfolio Managers, the General Partner and/or their respective affiliates are subject to a number of unusual risks, including changing laws and regulations, developing interpretations of such laws and regulations and increased scrutiny by regulators. Some of this evolution may be directed at the hedge fund industry in general or certain segments of the industry and may result in scrutiny or claims against the Funds, the General Partner, or the Portfolio Managers directly for actions taken or not taken by such party. Thus, the Funds, the Portfolio Managers and/or their respective affiliates face the continuing risk of pending and potential litigation and regulatory action. These risks are often difficult or impossible to predict, avoid or mitigate in advance. The effect on the Funds, the General Partner, or any affiliate of any such legal risk, litigation or regulatory action could be substantial and adverse.

***Limited Liquidity.*** An investment in the Funds provides limited liquidity since the Interests are not freely transferable and generally investors may withdraw their capital only semi-annually. An investment in the Fund is suitable only for sophisticated investors.

***Brokerage Commissions; Turnover.*** In selecting brokers or dealers to execute transactions, a Portfolio Manager may not necessarily solicit competitive bids and may not have an obligation to seek the lowest available commission cost. It may not be the practice of such Portfolio Manager to negotiate “execution only” commission rates, and thus the Funds may be deemed to be paying for research and other services provided by the broker that are included in the commission rate. To the extent a Portfolio Manager utilizes commissions to obtain items which would otherwise be an expense of the Portfolio Manager, such use of commissions in effect constitutes additional compensation to the Portfolio Manager. It is noted that certain of the foregoing commission arrangements are outside the parameters of Section 28(e) of the Securities Exchange Act of 1934, as amended, which permits the use of commissions or “soft dollars” to obtain “research and execution” services. Further, since commission rates are generally negotiable, selecting brokers on the basis of considerations that are not limited to applicable commission rates may result in higher transaction costs than would otherwise be obtainable.

The investment program of certain of the Portfolio Managers may include a substantial amount of trading, as well as long-term investing, and turnover rates may be substantial. Sage has not adopted a policy with respect to portfolio turnover to be followed by Portfolio Managers.

***Risk Relating to Prime Broker, Broker, Futures Commission Merchants, Custodian and Counterparty Insolvencies.*** The Portfolio Managers will be subject to a number of risks relating to the insolvency, administration, liquidation or other formal protection from creditors of a prime broker, broker, futures commission merchant, custodian or other counterparty (each, a “custodian entity”) providing prime brokerage, brokerage or custodian services to the Portfolio Managers and other counterparties that may have possession of assets of a Portfolio Manager. These risks will vary based on the relevant jurisdiction and legal regime governing the custodian entity and the specific contractual terms negotiated with each such custodian entity and may include, without limitation: the loss of all cash held with the relevant custodian entity which is not being treated as client money subject to the applicable customer protection laws or otherwise segregated or protected by the rules of the applicable regulatory authority; the loss of all cash which the relevant custodian entity has failed to treat as client money in accordance with applicable procedures; the

loss of all securities in respect of which the relevant custodian entity has exercised its contractual rights to borrow, lend, take legal and beneficial ownership of or otherwise use for its own purposes whether exercised in compliance with or in breach of any agreed limits on such rights of use or applicable regulatory restrictions; the loss of some or all of any securities held on trust or client money held by or with the relevant custodian entity in connection with a reduction to pay for administrative costs of the insolvency of the custodian entity and/or the process of identifying and transferring the relevant trust assets and/or client money or for other reasons according to the particular circumstances of the custodian entity's insolvency; losses of some or all assets due to the incorrect operation of the brokerage, custody or other accounts by the relevant custodian entity; and losses caused by prolonged delays in receiving transfers of balances and regaining control over the relevant assets.

In addition, where securities are held with a sub-custodian of a custodian entity or are held in the name of a sub-custodian, such securities may not be as well protected as they would be if they were held directly by the custodian entity.

***Incentive Compensation.*** With respect to Portfolio Managers who will charge incentive compensation, they may (i) emphasize investments that are riskier or more speculative than would be the case if such incentive compensation arrangements were not in effect and (ii) calculate the incentive compensation on a basis which includes unrealized appreciation of the Fund's assets. In such event, compensation may be greater than if such compensation were based solely on realized gains.

***Multiple Managers.*** The Portfolio Managers will trade wholly independently of one another and may at times hold economically offsetting positions. To the extent that the Portfolio Managers do, in fact, hold such positions, the Fund, considered as a whole, cannot achieve any gain or loss despite incurring expenses. In addition, a Portfolio Manager may be compensated based on the performance of its portfolio. Accordingly, a particular Portfolio Manager may receive incentive compensation in respect of its portfolio for a period even though the Fund's overall portfolio depreciated during such period. Further, because of the Fund's multi-manager approach, the cumulative management fees received by both Sage and Portfolio Managers may exceed the fees that would be payable if the investor invested directly with a Portfolio Manager without having Sage select such Portfolio Managers.

***Valuation of the Funds' Interests in Investment Vehicles.*** The valuation of the Funds' investments in Investment Vehicles is ordinarily determined based upon valuations provided by the investment managers of such Investment Vehicles. Certain securities in which the Investment Vehicles invest may not have a readily ascertainable market price and will be valued by the relevant Portfolio Manager. In this regard, a Portfolio Manager may face a conflict of interest in valuing the securities, as their value will affect the Portfolio Manager's compensation. Such valuations may be subject to later adjustment or revision by the Investment Vehicle. Certain illiquid securities may be valued by Portfolio Managers at cost which may not reflect true value. The valuation given to the securities and other instruments in their investment portfolios might not be obtained if the relevant Portfolio Manager were required to liquidate those positions.

To the extent that the value assigned by a Portfolio Manager to any such investment differs from the actual value, the net asset value of the Portfolio Manager and, consequentially, the Funds, may be understated or overstated, as the case may be. In light of the foregoing, there is a risk that an investor who withdraws all or part of its interest in the Funds while the Funds hold such investments will be paid an amount less than it would otherwise be paid if the actual value of such investments is higher than the value designated by the Funds or the Portfolio Manager. In addition, there is risk that an investment in the Funds by a new investor (or an additional investment by an existing investor) could dilute the value of such investments for the other investors if the designated value of such investments is higher than the value designated by the Funds or the Portfolio Manager. Further, there is risk that a new investor (or an existing investor that makes an additional investment) could pay more than it might otherwise if the actual value of such investments is lower than the value designated by the Funds or the Portfolio Manager. In general, Sage does not intend to adjust the net asset values of the Funds retroactively.

Sage generally will have limited ability to assess the accuracy of the net asset valuations received from the Portfolio Managers in which the Funds invest. Furthermore, the net asset values received by Sage from such Portfolio Managers are often estimates only, subject to later revision. Material revisions of net asset values received from Portfolio Managers will, necessarily, cause Sage to revise the Net Asset Value calculations of the Funds. However, once Sage has published the Net Asset Values, even if those Net Asset Values are later revised because of revised information received from a Portfolio Manager, including as a result of error or fraud by a Portfolio Manager, the Net Asset Values published by Sage initially will be considered final and binding for all purposes, including subscriptions, withdrawals, Incentive Allocations and fee calculations, unless Sage, in its sole discretion, determines that it is appropriate to revise previous Net Asset Value calculations. In the latter case, there would be an adjustment to Net Asset Values or fees paid and/or redemption proceeds received based on the erroneous numbers. However, Sage may be unable, or may otherwise elect not, to require that an investor who has received withdrawal proceeds from the Funds return a portion of such proceeds. If Sage determines to revise previous Net Asset Value calculations, any such unrecovered payments of withdrawal proceeds will be treated as a Fund expense and borne by the remaining investors.

***Activities of Money Managers.*** Although Sage will seek to select only Portfolio Managers who will invest the Funds' assets with the highest level of integrity, Sage will have no control over the day-to-day operations of any of the selected Portfolio Managers. As a result, there can be no assurance that every Portfolio Manager engaged by Sage will conform its conduct to these standards. Sage will therefore be subject to the risk that a Portfolio Manager could divert the Funds' assets, fraudulently inflate an Investment Vehicle's value or engage in other misconduct.

***Limits on Information.*** Sage selects Portfolio Managers based upon a number of factors. However, Sage may not always be provided with detailed information regarding a Portfolio Manager, or all the investments made by the Portfolio Managers because certain of this information may be considered proprietary information by Portfolio Managers.

***Lack of Operating History of Portfolio Managers.*** The Portfolio Managers may have a limited performance history in operating their own management company (although such Portfolio Managers typically will have significant prior experience in the securities industry). Therefore,

such investments may involve greater risks than investment with more established Portfolio Managers.

***Concentration of Investments.*** Each Fund's limited partnership agreement does not limit the amount of the Fund's assets that may be invested in a single Investment Vehicle or Advisory Account or in one or a few investments or with a single Portfolio Manager, and the General Partner does not subject the portfolio to any formal policies regarding diversification. The concentration of a Fund's portfolio would subject a Fund to a greater degree of risk with respect to the failure of a single Investment Vehicle or Advisory Account or in one or a few investments held therein or by a Fund. Although the General Partner seeks to obtain some diversification by investing in a number of different Investment Vehicles and Advisory Accounts, it is possible that several Investment Vehicles and Advisory Accounts may take substantial positions in the same company, security, industry, sector or asset class at the same time. Thus, there is the risk that one of the strategies or techniques utilized by the Portfolio Managers may have a disproportionate share of a Fund's assets.

***Recommendations by Cerity Partners; Portfolio Manager Concentration.*** Cerity Partners may advise investment advisory clients to invest with certain Portfolio Managers directly or in one or more of the Funds. Accordingly, a Limited Partner may have a high proportion of its investment portfolio concentrated in a single Portfolio Manager through multiple investments.

***Possibility of Fraud, Misappropriation or other Misconduct of Employees and Service Providers.*** Misconduct by employees of Sage, the Portfolio Managers, service providers to the Funds or the Portfolio Manager and/or their respective affiliates could cause significant losses to the Funds. Employee misconduct may include binding the Funds or a Portfolio Manager to transactions that exceed authorized limits or present unacceptable risks, unauthorized trading activities, concealing unsuccessful trading activities (which, in either case, may result in unknown and unmanaged risks or losses) and fraud. Losses could also result from actions by service providers, including, without limitation, failing to recognize trades and misappropriating assets. In addition, employees and service providers may improperly use or disclose confidential information, which could result in litigation or serious financial harm, including limiting the Funds' or a Portfolio Manager's business prospects or future marketing activities. No assurances can be given that Sage or the Portfolio Managers, as applicable, will be able to identify or prevent any such misconduct.

Custody of a Portfolio Manager's assets will typically rest with the Portfolio Manager's broker-dealer or custodian and may, in some instances, rest with the relevant Portfolio Manager or its affiliates. Therefore, there is the risk that the party with custody of a Portfolio Manager's assets could abscond with, or misappropriate, those assets. In addition, information supplied by a Portfolio Manager or another party with custody of a Portfolio Manager's assets may be inaccurate or even fraudulent. Sage is entitled to rely on such information (provided it does so in good faith) and is not required to undertake any due diligence to confirm the accuracy thereof.

***Fund Expenses.*** The expenses of the Fund (including the payment of fees by the Fund to the General Partner, a Portfolio Manager and the Fund's pro rata share of expenses of any investment entities in which the Fund invests) may be a higher percentage of net assets than would be found



in other investment entities. Because the Fund invests in other investment entities, there may be a significant turnover rate associated with the Fund's investments and, therefore, commensurably high brokerage fees may be incurred. Moreover, such turnover rate will be out of the direct control of the General Partner. Although in many cases investor access to the Portfolio Managers may be limited or unavailable, an investor who meets the conditions imposed by a Portfolio Manager may be able to invest directly with the Portfolio Manager. By investing indirectly through the Fund, the investor bears asset-based fees at the Fund level, in addition to any asset-based fees and performance-based fees and/or allocations at the Portfolio Manager level.

***Late Delivery of Audited Financials.*** Sage makes every effort to deliver its Funds' audited financials in accordance with the SEC Custody Rule requirements. However, certain unforeseen circumstances beyond Sage's control may lead to potential risks associated with the late delivery of audited financial statements.

***Delayed Schedule K-1s.*** Limited Partners will be furnished information on Schedule K-1 for preparation of their respective U.S. federal income tax returns. The furnishing of such information is subject to, among other things, the timely receipt by the Fund of information from Portfolio Managers. **Accordingly, it is expected that the Schedule K-1s will not be available prior to April 15, and Limited Partners will, therefore, likely need to obtain extensions for the filing of their own individual tax returns or may have to pay taxes based on an estimated amount.**

***General Investment Risks.*** All investments risk the loss of capital. No guarantee or representation is made that the Fund will achieve its investment objectives. The investments of the Fund or the Portfolio Managers may utilize highly speculative investment techniques, including non-U.S. securities, leverage, currency speculation, short sales, and option transactions. Accordingly, an investment in the Fund is speculative and involves certain considerations and risk factors which prospective investors should consider before subscribing. The Fund may also be subject to significant volatility. Investing and trading in securities, financial instruments and other assets and investments involve substantial risks. Trading may, in some circumstances, be speculative, prices may be volatile, and market movements are difficult to predict. In addition, government activities, especially those of the U.S. Federal Reserve System and foreign central banks, have a profound effect on interest rates, which in turn can affect the prices of securities, financial instruments and other assets and investments held by the Fund.

The Fund's investment program includes the selection of Portfolio Managers who may, from time to time, utilize such investment techniques as options and other derivative transactions and limited diversification, which practices can, in certain circumstances, maximize the adverse impact to which the Fund's portfolios may be subject. To the extent that the Portfolio Managers pursue investment opportunities in undervalued and distressed securities and "special situations", there is an inherent uncertainty in the appraisal of future values and a risk of loss of capital. In addition, the Fund is subject to the risk that changes in the general level of interest rates may adversely affect the Fund's investments in fixed income securities and the Fund's operating results.

***Investing in Private Investments.*** The Funds will invest in privately offered investment opportunities. Generally, very little public information exists about these opportunities, their historical operations and cash flows, and the Funds will be required to rely on the ability of Sage

to obtain adequate information to evaluate the potential returns from investing in these opportunities. Moreover, these opportunities may rely on third-party managers and operators, and the loss of one or more of these individuals could have a significant impact on the investment returns from a particular private investment.

**ETFs.** Because ETFs are, by definition, portfolios of securities, the General Partner believes that the unsystematic risk associated with investments in ETFs is generally very low relative to investments in ordinary securities of individual issuers. However, there are events that can trigger sharp and sometimes adverse price movements in ETFs that are not related to movements of the market in general. Not limited to, but among these, are surprise dividends, changes to regular dividend amounts, announcements of rights offerings and possible surprise revisions to net asset values. In addition, the Investment Company Act places certain restrictions on the percentage of ownership that a private investment fund, such as the Fund, may have in an ETF.

**Short Sales.** Short selling involves selling securities which may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities or commodity interests at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. However, since the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the price of the borrowed securities would result in a loss. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss. Any gain is decreased, and any loss is increased, by the amount of any payment, dividend, or interest that the Portfolio Manager may be required to pay with respect to borrowed securities, offset (wholly or partly) by short interest credits. In a generally rising market, the Portfolio Manager's short positions may be more likely to result in losses because securities sold short may be more likely to increase in value. A short sale involves a finite opportunity for appreciation, but a theoretically unlimited risk of loss. In addition, there are rules prohibiting short sales at prices below the last sale price, which may prevent a Portfolio Manager from executing short sales at the most desirable time. If the prices of securities sold short increase, a Portfolio Manager may be required to provide additional funds or collateral to maintain short positions. This could require such Portfolio Manager to liquidate other investments to provide additional margin, and such liquidations might not be at favorable prices.

**Options.** The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Purchasing options involves the risk that the underlying instrument does not change price in the manner expected, so that the option expires worthless, and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security in excess of the premium payment received.

**Market or Interest Rate Risk.** The Fund may, from time to time, invest in fixed income securities and instruments. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the prices of fixed income securities

fall. If the Fund holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Fund's performance. However, if the Fund has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Fund.

***Callable Securities.*** Many bonds, including agency, corporate and municipal bonds, and mortgage-backed securities, sometimes contain a provision that allows the issuer to "call" (i.e., redeem) all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate on the outstanding debt security. From the investor's perspective, there are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Fund is exposed to reinvestment rate risk – the Fund will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

***Maturity Risk.*** In certain situations, the Fund may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Fund will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.

***Inflation Risk.*** Inflation risk results from the variation in the value of cash flows from a fixed income security or instrument due to inflation, as measured in terms of purchasing power. For example, if the Fund purchases a 5-year bond with a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Fund is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

***Downgrades in Fixed Income Debt Securities.*** Unless required by applicable law, the Fund is not required to sell or dispose of any debt security that either loses its rating or has its rating reduced after the Fund purchases such security.

***Non-U.S. Securities.*** Investments by Portfolio Managers in securities of non-U.S. issuers (including foreign governments) and securities denominated or whose prices are quoted in non-U.S. currencies pose currency exchange risks (including blockage, devaluation, and non-exchangeability) as well as a range of other potential risks which could include, depending on the country involved, expropriation, confiscatory taxation, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers and non-U.S. companies may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S.

companies. Transaction costs of investing in non-U.S. securities markets are generally higher than in the U.S. There is generally less government supervision and regulation of exchanges, brokers, and issuers than there is in the U.S. and there may be greater difficulty taking appropriate legal action in non-U.S. courts. Non-U.S. markets also have different clearance and settlement procedures which in some markets have at times failed to keep pace with the volume of transactions, thereby creating substantial delays and settlement failures that could adversely affect the Funds' performance.

***Leverage/Margin.*** Certain Portfolio Managers may increase their investment positions by borrowing funds. As a result, the possibility of profits and losses are increased. Borrowing money to purchase investment positions provides such Portfolio Managers with the advantages of leverage but exposes them to increased capital risk and expenses. Any gain in the value of investment positions purchased with borrowed money or income earned from the securities that exceeds interest paid on the amount borrowed could cause the Funds' net asset values to increase faster than would otherwise be the case. Conversely, any decrease in the value of the investment positions purchased would cause the Funds' net asset values to decrease faster than would otherwise be the case.

Certain Portfolio Managers will be required to deposit margin in connection with their trading and investment activities. This will result in certain additional risks. For example, should the cash or securities pledged to secure the margin accounts decline in value, Portfolio Manager could be subject to a "margin call," pursuant to which the Portfolio Manager must either deposit additional funds or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden precipitous drop in the value of its assets, a Portfolio Manager might not be able to liquidate assets quickly enough to pay off its margin debts or avoid the liquidation of positions.

***Foreign Currency Transactions.*** The Fund and the Portfolio Managers may deal in forward foreign exchange between currencies of the different countries and multi-national currency units for speculation or as a hedge against possible variations in the foreign exchange rate between the currencies and the dollar. This is accomplished through contractual agreements to purchase or sell one specified currency for another currency at a specified future date (up to one year) and price determined at the inception of the contract. The Funds' dealings in forward foreign exchange shall not be limited to hedging, but hedging may be a principal use of foreign currency transactions. Transaction hedging is the purchase or sale of one forward foreign currency for another currency with respect to specific receivables or payables accruing in connection with the purchase and sale of its portfolio securities, the sale and redemption of shares of the Funds or the payment of dividends and distributions by the Funds. Position hedging is the purchase or sale of one forward foreign currency for another currency with respect to portfolio security positions denominated or quoted in such foreign currency to offset the effect of any anticipated appreciation or depreciation, respectively, in the value of such currency relative to the dollar value of another currency. In such a situation, the Funds also may, for example, enter into a forward contract to sell or purchase a different foreign currency for a fixed dollar amount where it is believed that the dollar value of the currency to be sold or bought pursuant to the forward contract will fall or rise, as the case may be, whenever there is a decline or increase, respectively, in the dollar value of the currency in which

portfolio securities of the Funds or its investments are denominated (this practice is called a “cross-hedge”).

**Swaps.** Investments in swaps involve the exchange by Portfolio Managers with another party of their respective commitments. In the case of equity swaps, the Portfolio Manager may exchange with another party their respective commitments to pay or receive the total return of an equity position or an interest rate, such as an exchange of the total return of a block of securities for floating interest rate payments. Use of swaps subjects the Funds to risk of default by the counterparty. If there is a default by the counterparty to such a transaction, the Funds will have contractual remedies pursuant to the agreements related to the transaction. However, the swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and agents utilizing standardized swap documentation. As a result, the swap market has become relatively liquid in comparison with the markets for other similar instruments which are traded in the interbank market. The Portfolio Managers may also enter into currency, interest rate or other swaps which are similar to equity swaps but may be surrogates for other instruments such as currency forwards or interest rate options.

**Futures.** Sage has at times in the past allocated, and may in the future allocate, Fund assets to Portfolio Managers who invest in financial futures and commodities interests. Trading in commodities, commodity futures contracts and options thereon are highly specialized activities, which, while they may increase the total return on a fund’s portfolio, may entail greater than ordinary investment risks. Futures markets are highly volatile and are influenced by factors such as changing supply and demand relationships, governmental programs, and policies, national and international political and economic events, and changes in interest rates. In addition, because of the low margin deposits normally required in commodity futures trading, a high degree of leverage is typical of a commodity futures trading account. As a result, a relatively small price movement in a commodity futures contract may result in substantial losses to the trader. Moreover, commodity futures positions are marked to the market each day and variation margin payments must be paid to or by a trader. Futures trading may also be illiquid, and certain commodity exchanges do not permit trading in particular commodities at prices that represent a fluctuation in price during a single day’s trading beyond certain set limits. If prices fluctuate during a single day’s trading beyond those limits -- which conditions have in the past sometimes lasted for several days with respect to certain contracts -- a Portfolio Manager could be prevented from promptly liquidating unfavorable positions and the Funds could thus be subjected to substantial losses. In addition, the CFTC and various exchanges impose speculative position limits on the number of positions that an investor may indirectly hold or control in particular commodities.

Sage does not guarantee the future performance or any specific level of performance, the success of any investment decision or strategy that Sage may use, or the success of the overall management of the Funds. Investment recommendations made for Funds are subject to various market, currency, economic, political, and business risks, and those investment decisions will not always be profitable.

An investment in the Funds provides limited liquidity since the Interests are not freely transferable and generally Limited Partners may withdraw their capital only semi-annually, subject to certain

restrictions set forth in the Funds' governing documents, which may further delay or restrict withdrawals. An investment in the Fund is suitable only for sophisticated investors.

***Cybersecurity Risks.*** Sage's information and technology systems may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. Although Sage has policies and procedures and has implemented various measures to manage risks relating to these types of events; however, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, Sage may have to make a significant investment to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Sage's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm Sage's reputation or subject it or its affiliates to legal claims and otherwise affect their business and financial performance, potentially resulting in financial losses to an investor and/or client. Additionally, any failure of Sage's information, technology or security systems could have an adverse impact on its ability to manage the portfolios of advisory clients.

***Business Continuity and Pandemic Risk.*** The impact of adverse events such as epidemics, pandemics, natural disasters or other force majeure could greatly affect the economies of many nations including the United States, individual companies and the market(s). These events may cause extreme volatility and disruption in both U.S. and global markets impacting supply chains, currency, public/private systems, worldwide travel, and could be short term or may last for extended period of time. In either case, such events may result in a substantial economic downturn or recession. These adverse events may also impact the internal business operations of an Adviser's ability to operate effectively. Sage and its affiliates have developed a Business Continuity Plan ("BCP") that is designed to address and help minimize the impact of adverse events that may affect Sage or its affiliates' ability to carry on normal business operations.

***ESG Risk.*** ESG or sustainable investing strategies focus on considerations of certain environmental, social, and corporate governance unlike traditional investments where the manager will make investment decisions that deliver the maximum risk-adjusted financial return for investors. ESG or sustainable investing can limit the types and number of investment opportunities and underperform other strategies that do not have an ESG or sustainable focus. ESG and sustainable investing are not uniformly defined concepts and scores or ratings may vary across data providers and can change over time. Sage is dependent upon information and data from third-party providers, which may be incomplete, inaccurate, or unavailable. There is a risk that Sage may not apply ESG criteria correctly or that a portfolio could have indirect exposure to issuers that do not meet the ESG criteria used by such portfolio. Further, there may be limitations with respect to the readiness of ESG data in certain sectors, as well as limited availability of investments with relevant ESG characteristics in certain sectors.

***Impact Risk.*** In a traditional investment fund, the manager would be required to make investment decisions that deliver the maximum risk-adjusted financial returns for investors. In the context of

impact investing, investment decisions include a consideration of certain measurable social impacts, such as investment in companies that bring a potential increase in employment, job, and wages, and contributes to a long-term reduction in poverty within the region defined by the PPM, and this will likely reduce the financial performance of the Fund versus that of a traditional fund. The industry currently lacks a common standard for measuring social impact.

Sage may not have sufficient control over the exit decisions of a private investment to ensure mission preservation. To control exit outcomes in the private investment, Sage must control management of the private Investments, either alone or with mission-aligned allies, unless contractually enabled to influence decisions beyond the composition of the board of the private investment. For instance, Sage may find itself co-investing with traditional investors who demand their own representation. As private investment grow and require larger sources of capital, the (usually smaller) impact investors may see their influence eroded.

***Minority Investment Risk.*** The Funds may invest in minority positions of ventures and in entities for which the Funds have no right to appoint a director or otherwise exert significant influence. In such cases, the Funds will be significantly reliant on the existing management and board of directors of such companies, which may include representatives of other financial investors with whom the Funds are not affiliated and whose interests may conflict with the interests of the Funds. There can be no assurance that the existing management team, or any successor, of an investment will be able to operate the investment in accordance with the Funds' plans.

***Due Diligence Considerations.*** Sage conducts due diligence which it believes is appropriate to select investment strategies based on the facts and circumstances applicable to each investment. The objective of the due diligence process is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment and to identify possible risks associated with that investment. However, due diligence is not foolproof and could not uncover problems associated with a particular investment strategy. For example, one or more of the investment strategies could engage in improper conduct, including unauthorized changes in investment strategy, which can be harmful and could result in losses to a client. Sage can rely upon representations made by investment strategies, accountants, attorneys, prime brokers, and/or other investment professionals. If any such representations are misleading, incomplete or false, this could result in the selection of an investment strategy that might have otherwise been eliminated from consideration had fully accurate and complete information been made available to Sage. Sage cannot be certain that its due diligence investigations will result in investments being successful or that actual financial performance of an investment will not fall short of expectations.

#### **Item 9. Disciplinary Information**

Sage has no reportable disciplinary events to disclose.

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

Sage is wholly owned by Cerity Partners. Cerity Partners is wholly owned by Cerity Partners Equity Holding LLC. Cerity Partners is the sole owner of Cerity Partners Retirement Plan Advisors LLC, Private Market Opportunities Fund Holdings, LLC, and fifty percent owner of Baja Wealth Advisors LLC, and along with Cerity Partners, these entities will collectively hereafter be known

as Sage's affiliates. Cerity Partners provides each of Sage's affiliates with office space, personnel, and other resources pursuant to an administrative services agreement with each firm. As noted above, certain employees of Cerity Partners serve on the Investment Committee that is shared by Sage, Cerity Partners and Sage's other affiliates, and assist in various aspects of the Hampshire Funds' management and administration (including, but not limited to, conducting due diligence on prospective and current Portfolio Managers).

Sage and Cerity Partners share office space and, Cerity Partners is reimbursed by Sage (out of the administration fees Sage receives from its clients) for Sage's allocable share of various overhead expenses incurred by Cerity Partners in connection with Sage's business operations, per the terms established within Sage's Governing Documents. Certain members of the General Partner of the Algonquin and Permit Funds are employees of Cerity Partners and therefore related persons of Sage. Cerity Partners also shares office space, and Cerity Partners is reimbursed by the General Partner of the Algonquin, CVPE, and Permit Funds pursuant to administrative management agreements (out of the administration fees the Funds receive from its investors) for their allocable share of various overhead expenses incurred by Cerity Partners in connection with their business operations.

While the clients of Sage affiliates have no obligation to invest in the Funds, a conflict of interest exists by the nature of Sage's affiliates' ability to recommend the Funds for their client portfolios. Sage's affiliates have procedures in place to ensure recommendations are made in the clients' and investors' best interest regardless of the affiliation.

Sage's affiliates provide a wide range of financial services to wealthy individuals, estates, trusts, and other types of clients. These services include giving investment advice, estate and retirement planning, supervision, and preparation of tax returns, forensic accounting, and other related services. As noted above under "Item 4 – Advisory Business," in connection with the investment advisory services Cerity Partners provides to its own clients, Sage's affiliates have, where appropriate and consistent with such clients' investment strategies, guidelines, restrictions, liquidity needs and other relevant criteria, recommended to such client's investments in one or more Funds managed by Sage. To date, a significant proportion of the investors in the Funds have been advisory clients of Cerity Partners.

Certain supervised persons of Sage (including their respective principals) are also supervised persons of Cerity Partners, who in addition to investment advisory services, provides financial planning, tax compliance services, and family office and trust services to certain clients of Cerity Partners.

As noted above, Sage's sole business is to provide investment advice to the Funds. Investors in the Funds may also engage Sage's affiliates for investment advisory, financial planning, tax compliance, family office and trust services, and other related services. Sage endeavors to put the interest of its clients first over its own interests and/or the interests of its affiliates as part of its fiduciary duty as a registered investment adviser. Arising from the services provided by affiliates, Sage takes the following steps to address potential conflicts to those Fund investors:



1. Sage discloses to the Funds' investors the existence of all material conflicts of interest, including the potential for Sage's affiliates to earn additional compensation from such investors in connection with aforementioned investment advisory and non-investment advisory services Sage's affiliates may provide such investors;
2. Sage discloses to the Funds' investors that they are not obligated to purchase these additional advisory and non-advisory services from Sage's affiliates;
3. Sage requires that employees seek prior approval of any outside employment activity so that Sage may ensure that any conflicts of interests in such activities are properly disclosed;
4. Sage periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly disclosed; and
5. Sage educates employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Conflicts of interest may arise in the allocation of investment opportunities among accounts that Sage or its affiliates advises. Sage and its affiliates seek to allocate investment opportunities believed appropriate for their respective investment advisory client accounts (including the Funds) equitably and in a manner consistent with the best interests of all accounts involved. There can be no assurance that a particular investment opportunity that comes to the attention of Sage or Cerity Partners will be allocated in any particular manner.

Kurt Miscinski, Cerity Partners' President and CEO, is a member of the Capital Group's RIA Insider's Advisory Board. Sage may recommend investment products, such as American Funds or Private Client Solutions from Capital Group to its clients which creates a potential conflict of interest. To mitigate this conflict, Mr. Miscinski is an uncompensated member of the RIA Advisory Board and as stated previously in Item 5, Sage does not share in fees or commissions charged on investments it recommends.

Several executives of Cerity Partners and RPA ("Cerity Partners") serve on the Schwab Advisor Services Advisory Board and Schwab Consulting Advisory Board (the "Advisory Boards"). As described under Item 12 of this Form ADV, Cerity Partners or its affiliates may recommend that clients establish brokerage accounts with certain qualified custodians, which may include Charles Schwab & Co., Inc. ("Schwab"), to maintain custody of the clients' assets and effect trades for their accounts. The Advisory Boards consists of representatives of independent investment advisory firms and pension consultants who have been invited by Schwab management to participate in meetings and discussions of Schwab Advisor Services' services for independent investment advisory firms and their clients. Generally, Board members serve for two or three-year terms. Cerity Partners' executives' terms end January 2025 and January 2026. Advisory Board members enter into nondisclosure agreements with Schwab under which they agree not to disclose confidential information shared with them. This information generally does not include material nonpublic information about the Charles Schwab Corporation, whose common stock is listed for trading on the New York Stock Exchange (symbol SCHW). The Advisory Board meets in person or virtually approximately twice per year and has periodic conference calls scheduled as needed. Advisory Board members are not compensated by Schwab for their service, but Schwab does pay for or reimburse Advisory Board members' travel, lodging, meals and other incidental expenses incurred in attending Advisory Board meetings.

Schwab owns Wasmer Schroeder & Company, LLC (“Wasmer”), a third-party manager. As described under Item 12, Sage or its affiliates may recommend that clients establish brokerage accounts with Schwab, to maintain custody of its clients’ assets; and as described in Item 8, Sage may recommend that its clients’ assets be allocated among third party managers, including Wasmer. The transaction between Schwab and Wasmer creates a conflict of interest for Sage because Sage has incentives to recommend Schwab as a qualified custodian and may have an incentive to recommend Wasmer because of its affiliation with Schwab. Sage mitigates this conflict by continuing to evaluate Wasmer per its investment selection policies and procedures.

Additionally, employees of Sages’ affiliates serve on the advisory boards of several investment companies, Blackrock, Cohen and Steers, Legg Mason, the Capital Group, and PIMCO Asset Management, as well as several plan administrators, Empower Retirement, Lincoln Financial Group, and John Hancock. Cerity Partners and RPA may recommend to its advisory clients which creates a potential conflict of interest. To mitigate this conflict, Cerity Partners and RPA employees are not compensated for their time serving on their respective advisory boards, but the investment companies and plan administrators will pay for or reimburse Cerity Partners, and RPA employees’ travel, lodging, meals, and other incidental expenses incurred in attending these advisory board meetings. Furthermore, Cerity Partners and its affiliates will only invest in investments for advisory clients where Cerity Partners or its affiliates acts in an advisory capacity or provide its services for a fee. Cerity Partners is contracted by PIMCO to provide services to PIMCO employees for a fee, which creates a conflict of interest. To mitigate this conflict, Cerity Partners recommends investments that the Investment Committee has determined the investment meets the standards and criteria that would warrant being on the Focus List.

Cerity Partners and its affiliates may recommend that you invest in the investment products offered by Dimensional Fund Advisors (“DFA”). Periodically, DFA may provide Cerity Partners with services intended to help Cerity Partners manage and further develop our business enterprise, such as facilitating periodic industry best practices and C-suite forums, consulting on various topics, and providing services for client related activities. DFA may discount or waive fees it might otherwise charge for some of these services or may pay all or part of the fees of a third party providing these services to Cerity Partners. DFA’s payment for these services is not contingent upon Cerity Partners recommending DFA investment products. Furthermore, as stated previously, Cerity Partners recommends investments that the Investment Committee has determined the investment meets the standards and criteria that warrant the investment being included on the Focus List

Prospective Fund investors should refer to the appropriate Fund’s Governing Documents for information regarding potential conflicts of interest associated with Sage’s investment advisory business.

For each ETF that Amplify Investments LLC (“Amplify”) sponsors, (SWAN, ISWN, QSWN), Cerity Partners receives a quarterly, asset-based licensing fee. For this fee, Amplify has the right to use Cerity Partner’s intellectual property for those respective strategies. Neither Cerity Partners nor its affiliates receive any payment on shares owned by Cerity Partners clients. Amplify Investments LLC is a registered investment advisor and is not affiliated with Cerity Partners.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

Sage instills in its employees an awareness of the fiduciary principles which govern the advisory business and sensitivity to conflicts of interest that may arise as a result of Sage's business. The firm has adopted a Code of Ethics (the "Code"), which addresses standards of business conduct, compliance with applicable federal securities laws and regulations, insider trading, and personal investments by employees. Sage employees are required to report all covered transactions quarterly, annually disclose all individual security holdings, annually certify that they have read, understood, and complied with the Code and acknowledge receipt of any amendments to the Code. Among other things, the Code requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

Consistent with Sage's multi-manager and fund-of-funds investment approach, Sage invests Fund assets in pooled vehicles managed by Portfolio Managers and/or allocates Fund assets to Portfolio Managers via separate account arrangements. As such, with the exception of Fund investments in pooled investment vehicles managed by Portfolio Managers and/or their affiliates and Fund investments in certain other securities (such as shares of mutual funds and ETFs) and certain derivative instruments (such as options on market indices), Sage generally does not make direct investments in securities. As such, given the limited nature of Fund investments in publicly traded/publicly offered securities directly undertaken by Sage, Sage does not anticipate that the personal trading practices of its employees will typically conflict with the interests of the Funds.

A copy of the Code is available to advisory clients, prospective investors, and existing investors upon request to the Compliance team, at (212) 850-4260 or [compliance@ceritypartners.com](mailto:compliance@ceritypartners.com).

As noted in Item 10, Sage's affiliates, where appropriate, from time to time, recommend that its investment advisory clients invest in private investment funds managed by Sage. Similarly, Sage may recommend its affiliates' investment advisory and non-investment advisory services to investors in the private investment funds managed by Sage. No client of Sage's affiliates is under any obligation to invest in the private investment funds managed by Sage and no investor in any such fund is under any obligation to engage Sage's affiliates for any investment advisory or non-investment advisory services.

## **Item 12. Brokerage Practices**

Sage generally does not itself utilize the services of broker-dealers in connection with the management of the Funds. Sage, acting as the Funds' general partner, may engage a broker dealer for certain limited securities or derivative transactions on behalf of the Funds (e.g., purchase of options, mutual funds, ETFs, etc.). In the event that Sage engages a broker-dealer for such transactions, it considers various factors.

### Factors in Selecting or Recommending a Custodian or Broker-Dealer

Sage considers the financial strength, reputation, execution, pricing, research, service, and performance when selecting or recommending a broker-dealer, custodian, or third-party manager for its clients.

### Research and Other Economic Benefits

Consistent with obtaining best execution, Sage may recommend that the Funds use the brokerage and custody services of certain broker-dealers with which Sage's affiliate has entered into services agreements. Under these services agreements, the custodians may make available certain products and services that may or may not directly benefit Sage's Investors. Sage's affiliates may receive cash credits toward research (including evaluations of securities and portfolio managers) portfolio management and business support tools (including portfolio management software and trading tools), and services intended to help develop our business enterprise (including educational conferences and business consulting) in exchange for recommending the broker-dealer to clients and provided a certain amount of client assets remain at the broker-dealer for custody services.

Sage will generally use the research and portfolio management tools that its affiliate may receive to service most clients, while services to develop Sage's business may not directly benefit clients. Such service agreements are a conflict of interest because Sage receives benefits that aid in its business operations without having to pay for them. Accordingly, Sage may have an incentive to recommend to the Funds a broker-dealer based on that broker-dealer's willingness to provide benefits to Sage's affiliate pursuant to a service agreement, rather than on the Funds' interest in receiving best trade execution.

Each Portfolio Manager has discretion, subject to its duties and its responsibilities for best execution, to execute securities transactions on behalf of its clients through brokerage firms selected by the Portfolio Managers. Such clients may include: (i) the pooled investment vehicles managed by such Portfolio Manager in which one or more of the Funds invest or (ii) the separate account(s) Sage has established with such Portfolio Manager pursuant to which Sage has allocated Fund assets to the Portfolio Manager. Sage does not select or recommend broker-dealers for securities transactions undertaken by Portfolio Managers. Sage is not affiliated with a broker-dealer.

Sage purchases securities on behalf of the Funds, generally in the form of investments with Portfolio Managers. The Funds' strategies are substantially similar and there are times when an investment opportunity with a Portfolio Manager may be suitable for more than one Fund. In the event a determination is made that two or more Funds should purchase or sell the same securities (including investments with Portfolio Managers) at the same time and the investment opportunity is limited, Sage will allocate the opportunity pro rata (to the extent feasible) based on the respective net asset values of the Funds in a manner believed to be equitable to each.

Sage participates in the Schwab Institutional (SI) services program offered by Charles Schwab & Company, Inc. ("Schwab"), a FINRA registered broker dealer. Sage utilizes Schwab for brokerage or custodial services for the Funds. As a participant in the SI program, Sage receives benefits from Schwab that it would likely not have received had Sage not utilized Schwab's brokerage and custodial services. Benefits may include receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to the Funds' accounts; ability to have investment advisory fees deducted directly from the Funds' accounts; access, for a fee, to an electronic communication network for

order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. Schwab also offers other services intended to help us manage and further develop business enterprises. These services include educational conferences and events, technology, compliance, legal and business consulting, publications and conferences on practice management and business succession. The benefits received through participation in the SI program depends upon the amount of Sage assets custodied by Schwab. Sage is unaffiliated with Schwab.

Participation in the SI program results in a potential conflict of interest for Sage, as the receipt of the above benefits may create an incentive for Sage to utilize Schwab for the Funds. Sage has reviewed the services of Schwab and recommends Schwab's services based on a number of factors and unrelated to the above benefits Sage may receive from Schwab. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. Schwab's services are periodically reviewed by Sage from a cost/benefit perspective based on various factors Sage deems relevant, and Sage attempts to negotiate lower commission rates for its clients.

Cerity Partners may accept sponsorship of client or prospect events from certain third-party managers that it recommends to clients. This creates a conflict because it may give Cerity Partners an incentive to recommend managers willing to sponsor Cerity Partners' events. Cerity Partners has policies and procedures in place to ensure its recommended managers meet its investment guidelines regardless of their willingness to participate in sponsoring such events.

#### Trade Errors

It is Sage's policy to minimize the occurrence of trade errors and should they occur, take steps in a timely manner to resolve the error in the best interest of the Firm's clients. Clients shall not pay for the losses associated with errors committed by the Firm.

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

Sage's members of the Investment Committee and other investment analysts of Cerity Partners meet to discuss the macro view of the markets, the investment strategy, current asset allocation, Portfolio Manager performance and other related topics. The Investment Committee meets at least quarterly to review the Funds' asset allocation, investment strategy, cash flows and other fund-related topics. Continuous monitoring of investment allocation, performance of recommended investments, due diligence and risk analysis are performed on Portfolio Managers. The Funds' investment valuations are reviewed monthly by each Fund's third-party administrator as part of a month-end closing process in order to determine the Funds' net asset values.

Each limited partner of the Funds will receive an unaudited quarterly statement of their estimated capital balance and Sage's quarterly commentary. In addition, an independent public accountant audits the Funds' records and accounts annually and provides the Funds with audited financial statements which are distributed to investors. After the end of each fiscal year, each limited partner will also be furnished a Schedule K-1 for preparation of his, her or its respective U.S. federal income tax returns. The timing of the distribution of such information is subject to, among other things, the timely receipt by the Funds of information from Portfolio Managers.

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

Sage may compensate consultants, financial advisers, placement agents (including broker-dealers) and other unaffiliated third parties who refer investors to Sage in connection with investments in the Funds or for their ongoing servicing of Fund investors who they have referred to Sage. Currently, there are no referral arrangements of the type described above. However, Sage reserves the right to enter into such arrangements in the future.

A client may engage certain individuals employed by Sage or its affiliates (but not the Sage entity or an affiliate entity) to provide securities brokerage services under a commission arrangement. Under this arrangement, the client may implement securities transactions through certain of Sage's employees, in their respective individual capacities as registered representatives of an unaffiliated SEC registered broker-dealer ("BD") and member of the FINRA.

#### **Item 15. Custody**

Because Sage acts as investment adviser and as general partner to the Hampshire Funds, and investment adviser to unaffiliated funds, it is deemed to have custody of client assets under current applicable regulatory interpretations. As an adviser with custody, Sage seeks to have each of the Funds audited on an annual basis by an independent public accountant that is both registered with and subject to regular inspection by the Public Companies Accounting Oversight Board (PCAOB) and to have an annual audited financial statement sent to the investors in each Fund, within 120 days or 180 days of the Funds' fiscal year end. Investors should carefully review the audited financial statements of the Funds. In addition, in connection with the final liquidation of a Fund, the Adviser will obtain a final audit and distribute audited financial statements to the Underlying Investors in the liquidated Fund promptly after completion of the audit.

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

As previously indicated in Item 4 of this Brochure, Sage monitors the activities and investment performance of each selected Portfolio Manager and has the authority to increase or reduce allocations of Fund assets among such Portfolio Managers, and to select, remove or replace Portfolio Managers, as appropriate. Portfolio Managers are primarily responsible for deciding what securities are to be purchased and sold for the Funds, the amount of those securities, the broker or dealer to be used and the amount of commission to be paid for a purchase or sale of a security for the portion of Fund assets allocated to each Portfolio Manager. Notwithstanding the foregoing, Sage, from time to time, may invest Fund assets directly in certain other limited types of securities and/or certain derivative instruments, including temporary money market instruments, mutual funds, ETFs and other registered investment companies, and options on market indices.

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

As a discretionary investment manager, Sage retains proxy voting authority for, and is responsible for voting proxies on behalf of, the Funds. As such, Fund investors generally do not have the authority to direct Sage's votes with respect to proxies received by Sage on behalf of the Funds. Proxies pertaining to securities held in the Funds over which Portfolio Managers exercise

investment discretion are voted by those Portfolio Managers if agreed to in writing between Sage and the Portfolio Managers. Sage will vote any proxies in the best interests of the Funds, provided no material conflicts of interest exist. In determining whether a conflict is material, Sage may consult with Sage's external legal counsel or other external advisors. If a material conflict of interest is identified, Sage will abstain from voting the proxy in question. In instances where a conflict does not exist or is determined to be not material, Sage will determine how to vote the proxy in the best interests of the relevant Fund(s). Copies of Sage's proxy voting procedures and voting records are available upon written request, addressed to Sage's Compliance Team, via phone at (212) 850-4206 or via email at [Compliance@ceritypartners.com](mailto:Compliance@ceritypartners.com).

**Item 18. Financial Information**

Sage has no financial condition that is likely to impair its ability to meet contractual commitments to the Funds and has not been the subject of a bankruptcy proceeding.