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March 19, 2024



Item I – Cover page

This Brochure provides information about the qualifications and business practices of Sage Hill Capital. If you have any questions about the contents of this Brochure, please contact us at (888) 988-5623 or at chris@sagehillcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Sage Hill Capital is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sage Hill Capital also is available on the SEC's website at www.adviserinfo.sec.gov/firm/summary/155016.

Item 2 – Material Changes

This Brochure dated March 15, 2024 is a document prepared according to the SEC's requirements and rules. This brochure replaces our previous brochure dated February 28, 2023.

Sage Hill Capital has had no material changes since the last annual amendment dated February 28, 2023.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. We do not have any material changes since our last filing.

Currently, our Brochure may be requested by contacting Chris Fragner, Principal at (888)988-5623 or chris@sagehillcapital.com.

Additional information about Sage Hill Capital is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Sage Hill Capital who are registered, or are required to be registered, as investment adviser representatives of Sage Hill Capital L.L.C.

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Item 4 – Advisory Business

Sage Hill Capital LLC. was started in 2010 in order to manage client assets in a customized fashion with a very high level of customer service. F. Chris Fragner and David Roberts are principal owners of the firm. F. Chris Fragner is a 50% owner of the firm and David Roberts is a 50% owner of the firm.

Investment Management and Supervision Services

Sage Hill Capital LLC. mainly provides investment management for their clients. This includes ongoing stock, bond, and mutual fund allocation decisions and trading. A variety of investments are used depending on client needs/wants; these include individual stocks, mutual funds, Exchange Traded Funds and individual bonds. All of which are considered asset allocation categories for the client's investment strategy.

We offer discretionary investment management and investment supervisory services for a fee based on a percentage of your assets under management. These services include investment analysis, allocation of investments, quarterly portfolio statements and ongoing monitoring services for the portfolio.

We determine your portfolio composition based on your needs, portfolio restrictions, if any, financial goals and risk tolerances. We will work with you to obtain necessary information regarding your financial condition, investment objectives, liquidity requirements, risk tolerance, time horizons, and any restrictions on investing. This enables us to determine the portfolio best suited for your investment objective and needs.

In performing our services, we shall not be required to verify any information received from you or from other professionals. If you request, we may recommend and/or engage the services of other professionals for implementation purposes. You are under no obligation to engage the services of any such recommended professional.

Once we have determined the types of investments to be included in your portfolio, and allocated them, we will provide ongoing portfolio review and management services. This approach requires us to review your portfolio at least quarterly.

Disclosure Regarding Rollover Recommendations

We are fiduciaries under the Investment Advisers Act of 1940 and when we provide investment advice to you regarding your retirement plan account or individual retirement account, we are also fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. We have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests.

A client or prospect leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in

the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) rollover to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). Our Firm may recommend an investor roll over plan assets to an IRA for which our Firm provides investment advisory services. As a result, our Firm and its representatives may earn an asset-based fee. In contrast, a recommendation that a client or prospective client leave their plan assets with their previous employer or roll over the assets to a plan sponsored by a new employer will generally result in no compensation to our Firm. Our Firm therefore has an economic incentive to encourage a client to roll plan assets into an IRA that our Firm will manage, which presents a conflict of interest. To mitigate the conflict of interest, there are various factors that our Firm will consider before recommending a rollover, including but not limited to: (i) the investment options available in the plan versus the investment options available in an IRA, (ii) fees and expenses in the plan versus the fees and expenses in an IRA, (iii) the services and responsiveness of the plan's investment professionals versus those of our Firm, (iv) protection of assets from creditors and legal judgments, (v) required minimum distributions and age considerations, and (vi) employer stock tax consequences, if any. Our Firm's Chief Compliance Officer remains available to address any questions that a client or prospective client has regarding the oversight.

Financial Planning Services

Sage Hill also provides financial planning, retirement planning, and financial consulting services, but not every client seeks out these services.

Financial advisory services provided by us may include the analysis of your situation and assistance in identifying and implementing appropriate financial planning and investment management techniques to help you meet your specific financial objectives. Such services may include a written financial analysis and specific or general investment and/or planning recommendations.

In preparing your financial plan, we may address any or all of the six areas of financial planning established by the National Endowment for Financial Education and endorsed by the Certified Financial Planner Board of Standards, depending on your specific needs. These include: financial position, protection planning, investment planning, income tax planning, retirement planning, and estate planning.

Our specific services in preparing your plan may include:

- Determination of appropriate income planning strategies for both pre- and post-retirement timeframes.
- Review of existing and proposed investment asset mixes to help you meet your overall financial objectives. This would include a review of risk/return issues and a suggested plan of action consistent with your risk tolerance and overall financial objectives.
- Calculation of your pre-retirement savings and investing needs.

- Assessment of your overall financial position including net worth, cash flow, and debt.
- Comprehensive analysis of IRA-related issues including rollover, distribution, and inheritance planning options.
- Evaluation of strategies designed to maximize the utilization and protection of your IRA assets.
- Estimates of your federal estate taxes and a suggested plan of action to help meet estate planning objectives.
- Review and determination of your life and disability insurance needs.
- Suggestions for minimizing your federal and state income tax obligations.
- Development of investment strategies consistent with your business ownership succession and transition planning, if applicable.

Consulting Services

We also provide clients investment advice on a more limited basis on one or more isolated areas of concern such as estate planning, real estate, retirement planning, or any other specific topic. Estate planning questions are often asked of us as well, and while we try to point our clients in the right direction, we are not lawyers, and we recommend that all estate planning decisions are done with competent legal counsel. Additionally, we may provide assistance with negotiations of endorsements and/or marketing contracts on behalf of professional athletes.

Sage Hill Capital creates customized portfolios for each client. We do not use models. We feel that every client has their own needs, and financial considerations, and therefore Sage Hill tries to create a unique solution for each client. We do so by identifying client needs and tailoring a solution that fits. For instance, if the client needs to generate income, we will have a far greater allocation to dividend paying stocks and income generating investments such as fixed income. Clients can request that certain investments not be used; for instance, some clients have issues with Phillip Morris (Altria) due to the unhealthy nature of their product, and request that we refrain from investing in them. We try to adhere to that request with individual securities, but cannot control what mutual funds and ETF's invest in.

Wrap Fee Program

Sage Hill Capital does not invest in Wrap-fee programs

Assets Under Management

Sage Hill Capital had \$ 153,079,197 in discretionary assets under management as of 12/31/2023. The firm has no non-discretionary assets.

Item 5 – Fees and Compensation

Our fee for portfolio management services is based on a percentage of the assets in your account and is set forth in the fee schedule within the advisory contract. This fee is negotiable but never exceeds 1.1% annually. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion.

The specific manner in which fees are charged by Sage Hill Capital is established in a client's written agreement with Sage Hill Capital. Sage Hill Capital will generally bill its fees on a quarterly basis, and bill at the end of the quarter for services rendered (arrears). Clients may elect to be billed in advance if they so desire, but our preference is to bill after the services are completed. Clients can also elect to be billed on a monthly basis. Clients may also elect to either be billed directly for fees to pay by check or to authorize Sage Hill Capital to directly debit fees from the client's managed accounts. Quarter-end or month-end balances are received from custodians in order to calculate the accurate management fee per period. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Cash and cash equivalents and any margin debt balances are included in the calculation of advisory fees, unless otherwise noted and agreed to in the executed Agreement. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Sage Hill Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Sage Hill Capital's fee, and Sage Hill Capital shall not receive any portion of these commissions, fees, and costs.

Sage Hill Capital does not pay loads on mutual funds. In some cases, mutual funds waive load fees to Registered Investment Advisors, effectively rendering them no-load funds. We will consider load-waived funds for clients, in addition to no-load funds, and attempt to allocate our clients into the best possible funds without paying any load.

Clients of Sage Hill Capital have the option to purchase investment products that are recommended through other brokers or agents that are not affiliated with Sage Hill Capital. Item 12 further describes the factors that Sage Hill Capital considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Financial Planning Fees

Your fee for the designated financial advisory services is either a fixed fee or based on our hourly rate of \$200. Under a fixed fee arrangement, any fee will be agreed upon by you and your advisor in advance of services being performed. The fee will be determined based on factors including your net worth, the complexity of your financial situation, agreed upon

deliverables, and whether or not you intend to implement any recommendations through your financial advisor.

The type of fee and -- in the case of a fixed fee -- the amount must be agreed to by you and your advisor prior to the signing of the financial planning agreement. The agreed upon fee is due upon signing the agreement. We will complete work within six months of the date your fee is paid. If the work is not completed in such a time, we will refund your fee on a pro-rated basis. Fees range between \$200 and \$2,000.

In no case are our fees based on, or related to, the performance of your funds or investments.

We will not require prepayment of more than \$1,200 in fees per client, six (6) or more months in advance of providing any services.

You may terminate the financial planning agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$200.00.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which Sage Hill Capital, or a related party, may receive compensation. However, as a financial planning client, you are under no obligation to act upon any of our recommendations or effect the transaction(s) through us if you decide to follow the recommendations.

Consulting

Your fee for general consulting services is a fixed fee. Under a fixed fee arrangement, any fee will be agreed upon by you and your advisor in advance of services being performed. The fee will be determined based on factors of the consulting project and fully detailed in our agreement. A portion of the fee is payable upon signing the agreement. We will complete work within six months of the date your fee is paid, in cases where you pay in advance. If the work is not completed in such a time, we will refund your fee on a pro-rated basis. The fixed fee ranges between \$250 and \$20,000.

You may terminate the consulting service agreement by providing us with written notice. Upon termination, fees will be prorated to the date of termination and any unearned portion of the fee will be refunded to you based on an hourly rate of \$200.00.

Additional Fees and Expenses:

In addition to the advisory fees paid to our Firm, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed by a mutual fund or ETF in a client's account, as disclosed in the fund's

prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Our brokerage practices are described at length in Item 12, below. Neither our Firm nor its supervised persons accept compensation for the sale of securities. Further, our firm does not share in any of these additional fees and expenses outlined above.

Item 6 – Performance-Based Fees and Side-By-Side Management

Sage Hill Capital does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Sage Hill Capital provides portfolio management services to individuals, and high net worth individuals. In the future we expect to provide portfolio management services. Sage Hill Capital also provides financial planning and consulting services in situations that it feels it can be of service. Sage Hill Capital does not have a firm minimum asset size. However, the firm does prefer to advise clients who already have, or will likely have, \$1 million in investable assets in the next 5 years.

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

Sage Hill Capital uses a variety of methods to select investments and formulate investment strategies. We use publications such as the Wall Street Journal, Barrons, Smart Money, Kiplingers, Financial Times, Bloomberg Businessweek, Money, Crains, Fast Company, Forbes, Fortune, and other more specific industry magazines. Sage Hill Capital uses online tools to screen, search and evaluate investments such as Yahoo! Finance, Google Finance, Morningstar, Seeking Alpha, Schwab Institutional, Reuters, and Bloomberg. Morningstar Office software provides Sage Hill access to their proprietary research and information on investments. Additionally, we meet with a variety of representatives from mutual fund and ETF companies to hear their latest news and join their portfolio manager conference calls to hear directly from management. A large number of firms also send their proprietary research to us (Blackrock, Principal, etc.) and help us form our investment theses. Companies also send out Annual Reports and other financial results (sometimes posted on Edgar online rather than sent), and Sage Hill will read them and form opinions; and at times Sage Hill will join earnings calls or attend annual meetings and listen to the executives of a firm discuss results and future outlook.

The publicly available resources are free, and therefore a large number of people can view them, interpret them, and trade on them, so Sage Hill will not have an advantage. The proprietary resources are less circulated and need to be requested, so fewer investors will have access to them, but most large firms that control vast sums of money will have proprietary resources, so again Sage Hill will not have an advantage with this information. Mutual fund and ETF employees who talk to us will have interesting information that is not necessarily available for everyone, but they are paid to make their investments sound good,

so there is a risk to believing everything they have to say without doing additional homework. Earnings calls are open to anyone so there is no advantage, and annual meetings are open to all shareholders so there is no real advantage gained versus anyone else.

The leadership of Sage Hill Capital also attends a variety of conferences and will visit firms from time to time to get a better perspective on them as well. We can gather a variety of information from a balance sheet and other company issued information, but as the world has seen with Enron, Worldcom, and Bernie Madoff, sometimes you can't trust the numbers entirely and it's worth trying to see investments in person. Since we are small, it is too costly to visit every firm, but even visiting a store and seeing which products are flying off the shelves during the holidays can lead to an investment idea. However, a firm may put on a good show to mask problems if they know investors are coming and visiting branches or stores can be misleading since the local trend may not be true for the entire firm so visiting firms can be misleading from an investment perspective as well.

Sage Hill Capital invests in individual stocks, mutual funds, EFTs and bonds. Individual stocks hold risks because clients are typically taking a larger percentage investment in a firm than they would if they were just invested in an index. Mutual funds can be risky since there is another layer of fees involved, and if the fund has a bad year, the fees can exacerbate the problem. Bonds are interest rate sensitive and hold credit risk, so they can be risky in different ways than stocks and mutual funds. Individual bonds are also typically thinly traded and at the level that Sage Hill Capital will buy bonds, it will be costly to actively trade bonds. If Sage Hill Capital purchases an individual bond for a client, it is expected that the bond will be held until maturity to limit the costly nature of trading bonds.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities involves risk of loss. Further, depending on the different types of investments there will be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines.

Investors should be aware that accounts are subject to the following risks:

Market Risk — Even a long-term investment approach cannot guarantee a profit. Economic, political and issuer-specific events will cause the value of securities to rise or fall. Because the value of investment portfolios will fluctuate, there is the risk that you will lose money and your investment may be worth more or less upon liquidation.

Foreign Securities and Currency Risk — Investments in international and emerging-market securities include exposure to risks such as currency fluctuations, foreign taxes and regulations, and the potential for illiquid markets and political instability.

Capitalization Risk — Small-cap and mid-cap companies may be hindered as a result of limited resources or less diverse products or services, and their stocks have historically been more volatile than the stocks of larger, more established companies.

Interest Rate Risk — In a rising rate environment, the value of fixed-income securities generally declines and the value of equity securities may be adversely affected.

Credit Risk — Credit risk is the risk that the issuer of a security may be unable to make interest payments and/or repay principal when due. A downgrade to an issuer's credit rating or a perceived change in an issuer's financial strength may affect a security's value and, thus, impact the fund's performance.

Securities Lending Risk — Securities lending involves the risk that the fund loses money because the borrower fails to return the securities in a timely manner or at all. The fund could also lose money if the value of the collateral provided for loaned securities, or the value of the investments made with the cash collateral, falls. These events could also trigger adverse tax consequences for the fund.

Exchange-Traded Funds — ETFs face market-trading risks, including the potential lack of an active market for shares, losses from trading in the secondary markets and disruption in the creation/redemption process of the ETF. Any of these factors may lead to the fund's shares trading at either a premium or a discount to its "net asset value."

Performance of Underlying Managers — We select the mutual funds and ETFs in the asset allocation portfolios. However, we depend on the manager of such funds to select individual investments in accordance with their stated investment strategy.

Liquidity Risk - Liquidity risk exists when particular investments would be difficult to purchase or sell, possibly preventing clients from selling such securities at an advantageous time or price.

Cybersecurity Risk - In addition to the Material Risks listed above, investing involves various operational and "cybersecurity" risks. These risks include both intentional and unintentional events at Sage Hill or one of its third-party counterparties or service providers, that may result in a loss or corruption of data, result in the unauthorized release or other misuse of confidential information, and generally compromise our Firm's ability to conduct its business. A cybersecurity breach may also result in a third-party obtaining unauthorized access to our clients'

information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Our Firm has established business continuity plans and risk management systems designed to reduce the risks associated with cybersecurity breaches. However, there are inherent limitations in these plans and systems, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because our Firm does not directly control the cybersecurity systems of our third-party service providers. There is also a risk that cybersecurity breaches may not be detected.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Sage Hill Capital or the integrity of Sage Hill Capital's management. Sage Hill Capital has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

No member of Sage Hill Capital is registered as a broker / dealer.

Sage Hill Capital does not take any commissions or kickbacks in any way from our investment selections. If we recommend a mutual fund, ETF, or other investment it is because our management feel that it is the best avenue to achieve each clients' particular goals.

Our Firm does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Our Firm nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Item 11 – Code of Ethics, Participation or Interest in Client transactions and Personal Trading.

Sage Hill Capital has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Sage Hill Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

Sage Hill Capital anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Sage Hill Capital has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Sage Hill Capital, its affiliates and/or clients, directly or indirectly, have a position of interest. Sage Hill Capital's employees and persons associated with Sage Hill Capital are required to follow Sage Hill Capital's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Sage Hill Capital and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Sage Hill Capital's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of Sage Hill Capital will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Sage Hill Capital's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Sage Hill Capital and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Sage Hill Capital's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Sage Hill Capital will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Sage Hill Capital's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Chris Fragner.

It is Sage Hill Capital's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Sage Hill Capital will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the

transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

We consider price, speed, reliability, capability, and ease of use in selecting broker/dealers for client transactions. Compensation to broker/dealers for client transactions are usually fixed rates; and given Sage Hill Capital's size, we do not have room to negotiate on these. It is our estimation that we will be able to negotiate better rates for clients as Sage Hill Capital grows in size.

Sage Hill Capital does not receive soft dollar benefits from broker/dealers. We participate in the Schwab Institutional program as described below, but our research materials are not sourced from Schwab. Our research is either paid by Sage Hill Capital (in the form of subscriptions), or freely available on the internet to anyone who would like it.

Sage Hill Capital does not receive client referrals from any broker/dealer.

Historically, Sage Hill Capital has participated in the formerly TD Ameritrade Institutional program now acquired by Charles Schwab & Co. Inc., "Schwab". Schwab offers services to independent investment advisors that include custody of securities, trade execution, clearance, and settlement of transactions. Advisor receives some benefits from Schwab through its participation in the program. (Please see the disclosure under Item 14 below.)

We are independently owned and operated and not affiliated with Schwab. Schwab will act solely as a broker-dealer and not as an investment advisor to you. It will have no discretion over your account and will act solely on instructions it receives from us [or you]. Schwab has no responsibility for our services and undertakes no duty to you to monitor our firm's management of your account or other services we provide to you. Schwab will hold your assets in a brokerage account and buy and sell securities and execute other transactions when we [or you] instruct them to. We do not open the account for you. (Please see the disclosure under Item 14 below.)

Sage Hill Capital does not maintain custody of your assets on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian.

We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Conflicts of interest associated with this arrangement are described

below as well as in Item 14 (Client referrals and other compensation). You should consider these conflicts of interest when selecting your custodian.

We do not open the account for you, although we may assist you in doing so. If you do not wish to place your assets with Schwab, then we cannot manage your account. Even though your account is maintained at Schwab, and we anticipate that most trades will be executed through Schwab, we can still use other brokers to execute trades for your account as described below.

How we select brokers/custodians

We seek to use d Schwab, custodians/brokers that will hold your assets and execute transactions. When considering whether the terms that Schwab provide are, overall, most advantageous to you when compared with other available providers and their services, we take consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Services delivered or paid for by Schwab
- Availability of other products and services that benefit us, as discussed below (see “Products and services available to us from Schwab”)

Your brokerage and custody costs

For our clients’ accounts that Schwab maintains, Schwab generally charges you separately for custody services but are compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account.

Although we are not required to execute all trades through either Schwab, we have determined that having Schwab execute most trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How we select

brokers/custodians"). By using another broker or dealer you may pay lower transaction costs.

Products and services available to us from Schwab:

- Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. However, certain retail investors may be able to get institutional brokerage services from Schwab without going through us.
- Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:
- Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets.
- The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.
- Schwab's services described in this paragraph generally benefit you and your account.
- Services that do not directly benefit you. Schwab also makes available to us other products and services that benefit us but do not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts and operating our firm. They include investment research, both Schwab's own and that of third parties. We use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:
- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting
- Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:
- Educational conferences and events
- Consulting on technology and business needs
- Consulting on legal and related compliance needs
- Publications and conferences on practice management and business succession

- Access to employee benefits providers, human capital consultants, and insurance providers
- Marketing consulting and support

Our interest in Schwab's services

We believe that taken in the aggregate, our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How we select brokers/ custodians") and not Schwab's services that benefit only us.

There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are typically not available to any other independent investment advisors participating in the program. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Schwab may also have paid for business consulting and professional services received by some of our related persons. Some of the products and services made available by Schwab through the program may benefit us but may not benefit your account. These products or services may assist us in managing and administering your account, including accounts not maintained at Schwab. Other services made available by Schwab are intended to help us manage and further develop our business enterprise. The benefits received by our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to Schwab. As part of our fiduciary duties to clients, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of economic benefits by our Firm or our related persons in and of itself creates a conflict of interest and may indirectly influence our choice of Schwab for custody and brokerage services.

In the event you request us to recommend a broker/dealer custodian for execution and/or custodial services, we generally recommend your account to be maintained at Schwab. We may recommend that you establish accounts with Schwab to maintain custody of your assets and to effect trades for your accounts. You are under no obligation to act upon any recommendations, and if you elect to act upon any recommendations, you are under no obligation to place the transactions through any broker/dealer we recommend. Our recommendation is generally based on the broker's cost and fees, skills, reputation, dependability, and compatibility with the client. You may be able to obtain lower commissions and fees from other brokers and the value of products, research and services

given to us is not a factor in determining the selection of broker/dealer or the reasonableness of their commissions.

Schwab provides the Additional Services to Sage Hill Capital in its sole discretion and at its own expense, and Sage Hill Capital does not pay any fee to Schwab for the Additional Services. Schwab honors the original agreement Sage Hill Capital and TD Ameritrade entered into ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Sage Hill Capital's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Sage Hill Capital, Schwab most likely considers the amount and profitability to Schwab of the assets in, and trades placed for, Sage Hill Capital's client accounts maintained with Schwab. Schwab has the right to terminate the Additional Services Addendum with Sage Hill Capital, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from Schwab, Sage Hill Capital may have an incentive to recommend to its clients that the assets under management by Sage Hill Capital be held in custody with Schwab and to place transactions for client accounts with Schwab. Sage Hill Capital's receipt of Additional Services does not diminish its duty to act in the best interest of its clients, including to seek best execution of trades for client accounts.

Sage Hill Capital, through its participation in the program, may receive discounts on compliance, marketing, technology, and practice management products or services provided to Sage Hill Capital by third party vendors. At present time, Sage Hill Capital does not use any products with Schwab discounts outside of the above mentioned Morningstar Office Software.

At times we will aggregate trades into block orders to get the same price on a trade for multiple client accounts. If orders are only partially executed, we use a random allocation process to ensure that our allocations are fair and that all accounts get treated with the same probability of getting their orders filled.

In some cases, the client needs to direct the brokerage because their employer has a relationship with that brokerage. Specific examples include TIAA-Cref and Fidelity for University of Michigan employees. These clients must maintain their assets in these TIAA-Cref and Fidelity brokerages, but if we are asked to provide guidance, we can set up an arrangement with them to have limited power of attorney powers to manage the accounts. In these cases, the client directs the brokerage and we cannot do anything about the transaction costs, they are based on a table that we have no influence on.

Item 13 – Review of Accounts

Sage Hill Capital provides performance reports to clients when requested and offers to meet with clients at least twice per year to go over results. The custodian also provides a monthly

statement for each client account and allows for online access to the account 24 hours per day. If a client encounters a life change (retirement, marriage, divorce, baby, etc.), we encourage them to contact us so that we can ensure their financial plan makes sense under the new circumstances. Sage Hill Capital strives to maintain high client service and is happy to receive phone calls at any time to go over client accounts as well.

Chris Fragner, a Principal of Sage Hill Capital, is in charge of the reports and meetings. Additionally, he and the other partners of Sage Hill Capital oversee client investments on an on-going basis and makes changes in accounts as he sees fit (with discretionary authority). Performance reports generated by Sage Hill Capital detail the gains and losses in the accounts. They also provide an allocation overview to provide detail into diversification, market risk, interest rate risk, and so forth. The performance reports are both written and use charts and tables. Following the end of the year, Sage Hill also provides realized gains and loss information for tax purposes.

Item 14 – Client Referrals and Other Compensation

Sage Hill Capital does not compensate anyone for client referrals.

Sage Hill Capital does not receive compensation from sources other than our clients.

Our Firm may be asked to recommend a financial professional, such as an attorney, accountant, or mortgage broker. In such cases, our Firm does not receive any direct compensation in return for any referrals made to individuals or firms in our professional network. Clients must independently evaluate these firms or individuals before engaging in business with them and clients have the right to choose any financial professional to conduct business. Individuals and firms in our financial professional network may refer clients to our Firm. Again, our Firm does not pay any direct compensation in return for any referrals made to our Firm. Our Firm does recognize the fiduciary responsibility to place your interests first and have established policies in this regard to mitigate any conflicts of interest.

Item 15 – Custody

We do not have physical custody, as it applies to investment advisors. Custody has been defined by regulators as having access or control over client funds and/or securities.

For all accounts, our firm has the authority to have fees deducted directly from client accounts. Our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Sage Hill

Capital. When you have questions about your account statements, you should contact Sage Hill Capital or the qualified custodian preparing the statement. Please refer to Item 5 for more information about the deduction of adviser fees.

Standing Letters of Authorization (“SLOA”)

Our Firm is deemed to have custody of clients’ funds or securities when clients have standing authorizations with their custodian to move money from a client’s account to a third-party (“SLOA”) and, under that SLOA, it authorizes us to designate the amount or timing of transfers with the custodian. The SEC has set forth a set of standards intended to protect client assets in such situations, which we follow. We do not have a beneficial interest in any of the accounts we are deemed to have custody where SLOAs are on file. In addition, account statements reflecting all activity on the account(s) are delivered directly from the qualified custodian to each client or the client’s independent representative, at least quarterly. The client should carefully review those statements and are urged to compare the statements against reports received from us. When the client has questions about their account statements, the client should contact us, or the qualified custodian preparing the statement.

Sage Hill Capital Clients should receive at least quarterly statements from Schwab, Fidelity, TIAA-Cref, or other qualified custodian that holds and maintains client’s investment assets. Sage Hill Capital urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. The majority of the variances arise from accrued interest on bonds, and securities that are not liquid.

We are happy to discuss any variation in reports if the client wishes to contact us.

Item 16 – Investment Discretion

For discretionary accounts, prior to engaging Sage Hill Capital to provide investment advisory services, you will enter a written Agreement with us granting the firm the authority to supervise and direct, on an on-going basis, investments in accordance with the client’s investment objective and guidelines. In addition, you will need to execute additional documents required by the Custodian to authorize and enable Sage Hill Capital, in its sole discretion, without prior consultation with or ratification by you, to purchase, sell or exchange securities in and for your accounts. We are authorized, in our discretion and without prior consultation with you to:

1. buy, sell, exchange and trade any investment company registered under the Investment Company Act of 1940 and
2. determine the amount of securities to be bought or sold and
3. place orders with the custodian. Any limitations to such discretionary authority will be communicated to our Firm in writing by you, the client.

The limitations on investment and brokerage discretion held by Sage Hill Capital for you are:

1. For discretionary accounts, we require that we be provided with authority to determine which securities and the amounts of securities to be bought or sold.
2. Any limitations on this discretionary authority shall in writing as indicated on the investment advisory Agreement, Appendix B. You may change/amend these limitations as required.

In some instance, we may not have discretion. We will discuss all transactions with you prior to execution or you will be required to make the trades if in an employer sponsored account.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Sage Hill Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Sage Hill Capital may provide advice to clients regarding the clients' voting of proxies if requested.

A class action is a procedural device used in litigation to determine the rights of and remedies, if any, for large numbers of people whose cases involve common questions of law and/or fact. Class action suits frequently arise against companies that publicly issue securities, including securities recommended by investment advisors to clients. With respect to class action suits and claims, you (or your agent) will have the responsibility for class actions or bankruptcies, involving securities purchased for or held in your account. We do not provide such services and are not obligated to forward copies of class action notices we may receive to you or your agents.

Item 18 – Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.