



***ADV II and Schedule F  
October 2009***

**Sawtooth Asset Management, Inc.  
Registered Investment Adviser  
7400 Metro Blvd., Suite 219  
Minneapolis, MN 55439  
(952) 831-0039**

# Uniform Application for Investment Adviser Registration

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
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Name of Investment Adviser: <b>Sawtooth Asset Management, Inc.</b>					
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code	Telephone Number
<b>7400 Metro Blvd., Suite 219</b>	<b>Minneapolis</b>	<b>MN</b>	<b>55439</b>	<b>(952)</b>	<b>831-0039</b>

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

**1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate  
% of total advisory billings from that service.

(See instruction below.)

**Applicant:**

- |                                     |     |   |           |   |
|-------------------------------------|-----|---|-----------|---|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | <u>95</u> | % |
| <input type="checkbox"/>            | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | _____     | % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above .....  | <u>5</u>  | % |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   | _____     | % |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   | _____     | % |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | _____     | % |
| <input type="checkbox"/>            | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | _____     | % |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   | _____     | % |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above .....   | _____     | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- |    |   |  |
|----|---|--|
| B. | Does applicant call any of the services it checked above financial planning or some similar term? ..... | Yes No   |
|    |   | <input checked="" type="checkbox"/> <input type="checkbox"/> |

**C.** Applicant offers investment advisory services for: (check all that apply)

- |                                     |     |  |                          |     |                   |
|-------------------------------------|-----|--|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management      | <input type="checkbox"/> | (4) | Subscription fees |
| <input checked="" type="checkbox"/> | (2) | Hourly charges                               | <input type="checkbox"/> | (5) | Commissions       |
| <input checked="" type="checkbox"/> | (3) | Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) | Other             |

**D.** For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** — Applicant generally provides investment advice to: (check those that apply)

- |                                     |    |                                  |                                     |    |   |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals                      | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. | Banks or thrift institutions     | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. | Investment companies             | <input type="checkbox"/>            | G. | Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> | D. | Pension and profit sharing plans |                                     |    |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <p>A. Equity securities</p> <p><input checked="" type="checkbox"/> (1) exchange-listed securities</p> <p><input checked="" type="checkbox"/> (2) securities traded over-the-counter</p> <p><input type="checkbox"/> (3) foreign issuers</p> <p><input checked="" type="checkbox"/> B. Warrants</p> <p><input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper)</p> <p><input checked="" type="checkbox"/> D. Commercial paper</p> <p><input checked="" type="checkbox"/> E. Certificates of deposit</p> <p><input checked="" type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="checkbox"/> (1) variable life insurance</p> <p><input type="checkbox"/> (2) variable annuities</p> <p><input checked="" type="checkbox"/> (3) mutual fund shares</p> | <p><input checked="" type="checkbox"/> H. United States government securities</p> <p>I. Options contracts on:</p> <p><input checked="" type="checkbox"/> (1) securities</p> <p><input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles</p> <p><input type="checkbox"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="checkbox"/> (1) real estate</p> <p><input type="checkbox"/> (2) oil and gas interests</p> <p><input type="checkbox"/> (3) other (explain on Schedule F)</p> <p><input type="checkbox"/> L. Other (explain on Schedule F)</p> |
|--|--|

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                                 |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? ..... Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| ● name          | ● formal education after high school               |
| ● year of birth | ● business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer<br><input type="checkbox"/> (2) investment company<br><input type="checkbox"/> (3) other investment adviser<br><input type="checkbox"/> (4) financial planning firm<br><input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant<br><input type="checkbox"/> (6) banking or thrift institution | <input type="checkbox"/> (7) accounting firm<br><input type="checkbox"/> (8) law firm<br><input checked="" type="checkbox"/> (9) insurance company or agency<br><input type="checkbox"/> (10) pension consultant<br><input type="checkbox"/> (11) real estate broker or dealer<br><input type="checkbox"/> (12) entity that creates or packages limited partnerships |
|--|--|

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? ..... Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? .....

Yes No  
☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**See Schedule F**

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

**See Schedule F**

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

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**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  | Yes                                 | No                                  |
|--|-------------------------------------|-------------------------------------|
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... ☐ Yes ☒ No
- B. directly or indirectly compensates any person for client referrals? ..... ☒ Yes ☐ No

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☒ No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Sawtooth Asset Management, Inc.**

SEC File Number:  
801-

Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
<b>1.D</b>	<b>INTRODUCTION</b>  This Brochure provides information about the qualifications and business practices of Sawtooth Asset Management, Inc. (Adviser). Please contact Bradley Pries, President, with any questions about the contents of this Brochure. The information in this Brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any State securities authority.  Additional information about Adviser is available on the Internet at:  <a href="http://www.adviserinfo.sec.gov/IAPD/CContent/lapdMain/iapd_SiteMap.aspx">http://www.adviserinfo.sec.gov/IAPD/CContent/lapdMain/iapd_SiteMap.aspx</a>  Clients and prospective Clients can search this site by using Advisers unique identifying number, known as a CRD number. The CRD number for Adviser is 150506.	
	<b>INVESTMENT ADVISORY SERVICES</b> Each Client will enter into a written agreement (the Agreement) with Adviser which describes the nature and extent of Advisers services, the terms and conditions applicable to such services, and the fees to be charged. The services, terms, conditions, and fees described in the Agreement may differ from the information in this Brochure. In the event of any difference between the information in this Brochure and the Agreement, the Agreement shall control.  In addition to the services described below, Adviser may, when it deems appropriate, provide other services upon request of a Client. The nature and extent of such services, the terms and conditions applicable to such services, and the fees to be charged will be described in the Clients Agreement.  <b>Unified Managed Account Program</b> In the Unified Managed Account Program (UMA), Adviser may retain one or more registered investment advisers (each a Program Manager) to manage the investments in the Clients account, based on the individual needs and circumstances of each Client. This may include the Adviser as one of the Program Managers.  At the beginning of the relationship, an authorized Representative of the Adviser, either a direct Representative or a Representative of a Solicitor firm (Representative), will obtain from the Client information regarding the Clients	



**Schedule F of  
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Continuation Sheet for Form ADV Part II**

Applicant:  
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Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>financial situation, investment objectives, financial goals, tolerance for risk, and investment time horizon (all referred to as the Suitability Information), among other information. If the Representative determines it appropriate based upon the individual needs and circumstances of the Client, the Representative will recommend that the Client participate in the UMA. The Adviser and Program Managers will have access to the Client Suitability Information and to any reasonable investment restrictions that the Client imposes on the account.</p> <p>Clients participating in UMA will establish an account either at Penson Financial Services, Inc., an SEC-registered broker-dealer and member of FINRA (the Custodian) or at Charles Schwab Inc., an SEC-registered broker-dealer and member of FINRA (the Custodian) or at TD Ameritrade Institutional (the Custodian), TD Ameritrade Institutional is a division of TD Ameritrade, Inc. member FINRA/SIPC. Based on the individual needs and circumstances of the Client, Adviser will determine the allocation of the account among various investment options and among Program Managers, if deemed appropriate. Each Program Manager will have discretion to select the investments, to designate the strategies, and to buy, sell, or otherwise effect transactions for the portion of the account allocated to such Program Manager.</p> <p>On a continuous basis, Adviser will monitor the performance of the account, will hire and fire the Program Managers, and allocate and/or reallocate the account among various investment options, according to the individual needs and circumstances of the Client. Adviser will have full discretion to allocate and reallocate the account, to increase or decrease the portion of the account allocated to each investment and/or Program Manager, and to hire new Program Managers and fire existing Program Managers. Advisers decisions with respect to the investment options and Program Managers will be based, in part, on Advisers evaluation of the investment styles, strategies, risks, and potential benefits of each investment option and each Program Manager.</p> <p>Adviser will provide advice regarding specific investments for a UMA account, and will manage or effect purchases, sales, or other transactions for an account. In addition, Adviser will also have the authority and discretion to manage the account in the event a Program Manager ceases to act as manager for the account, in which event Adviser shall have authority and discretion to manage account investments not allocated to an existing Program Manager until a new Program Manager is retained or in it's entirety if no new Program Manager is recommended. In managing the account</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**PAGE 2**

**Schedule F of  
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Continuation Sheet for Form ADV Part II**

Applicant:  
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SEC File Number:  
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Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>assets, Adviser is specifically permitted to retain all or part of the existing investments or to liquidate such investments, in Advisers discretion.</p> <p>At or before entering into the Agreement, Clients will receive a copy of the Form ADV Part II or other disclosure document adopted by each Program Manager under SEC Rule 204-3 (the Manager Disclosure Document). The Representative will be available to discuss the Manager Disclosure Documents and answer questions the Client may have regarding UMA and the Program Managers. If requested by Adviser or a Program Manager, Client will enter into a separate advisory agreement with a Program Manager. Upon the addition of a new Program Manager for an account, the Representative will provide the Client with the new Manager Disclosure Document.</p> <p>Because the Program Managers may change from time to time, Clients and prospective Clients should consult directly with their Representative to discuss the current Program Managers. Certain Program Managers may not be available to all Clients.</p> <p>Neither Adviser nor any of the Program Managers guarantees the future performance of any UMA accounts, any specific level of performance, the success of any investment decision or strategy that a Program Manager may use, or the success of Advisers or the Program managers management of the UMA Accounts. The investment and other decisions made by Adviser and the Program Manager for UMA Accounts are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable.</p> <p>With respect to each UMA account:</p> <p>Adviser will manage the account on the basis of the Client's financial situation and investment objectives and any reasonable investment restrictions the Client may impose;</p> <p>Adviser will obtain sufficient client information to be able to provide individualized investment advice to the Client;</p> <p>At least annually, Adviser will contact the Client to determine whether there have been any changes in the Client's financial situation or investment objectives and whether the Client wishes to impose</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

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**Schedule F of  
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Applicant:  
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>investment restrictions or modify existing restrictions;</p> <p>At least quarterly, Adviser will notify the client in writing to notify Adviser if there have been changes in the Client's financial situation or investment objectives and whether the Client wishes to impose new investment restrictions or modify existing restrictions, and will provide the means through which the Client can contact Adviser;</p> <p>Adviser will be reasonably available to the Client for consultation; At least quarterly, the Custodian will provide the Client with a statement reflecting all activity in the account during the preceding period, including all transactions made on behalf of the account, all contributions and withdrawals, all fees and expenses, and the value of the account at the beginning and end of the period; and</p> <p>Client will retain, with respect to all securities and funds in the account, to the same extent as if the Client held the securities and funds outside UMA, the right to:</p> <ul style="list-style-type: none"><li>- Withdraw securities or cash;</li><li>- Vote securities, or delegate the authority to vote securities to another person;</li><li>- Be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders; and</li><li>- Proceed directly as a security holder against the issuer of any security in the Client's account and not be obligated to join any person involved in the operation of the program, or any other client, as a condition precedent to initiating such proceeding.</li></ul> <p><b><u>UMA Fees</u></b></p> <p>For the advisory services of Adviser, Representative, and the Program Managers under the UMA Agreement, the Client shall pay an investment management fee (the "Fee") according to the fee schedule set forth below, as updated from time to time. The entire Fee is calculated by adding the Adviser's Fee, the Representative's Fee, plus the Fee for each Program Manager. The Adviser's Fee, the Representative's</p>	

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Sawtooth Asset Management, Inc.		IRS Empl. Ident. No.: 26-4799348																													
Item of Form (identify)	Answer																														
	<p>Fee and the Program Managers Fee are calculated based on the value of all of the assets in the Client's UMA account. Each Program Manager's Fee is calculated based on the value of those assets in the Client's UMA account for which the Program Manager provided management services as of the close of the preceding calendar quarter (based on the values reported on the Custodian's statement used to calculate the quarterly Fees).</p> <p><b>Value of Adviser's Fee, Representative's Fee, &amp; Program Manager Fees=UMA Account</b> (based on max fees charged by Adviser and the current Program Manager(s)) All fees are negotiable.</p> <table><tr><td>\$500,000 or less</td><td>100 bpts</td><td>100 bpts</td><td>25 bpts</td></tr><tr><td>Next \$ 500,000</td><td>95 bpts</td><td>95 bpts</td><td>25 bpts</td></tr><tr><td>Next \$2,000,000</td><td>90 bpts</td><td>90 bpts</td><td>25 bpts</td></tr><tr><td>Next \$2,000,000</td><td>85 bpts</td><td>85 bpts</td><td>25 bpts</td></tr><tr><td>First \$2,500,000</td><td>80 bpts</td><td>80 bpts</td><td>25 bpts</td></tr><tr><td>Next \$2,500,000</td><td>70 bpts</td><td>70 bpts</td><td>25 bpts</td></tr><tr><td>Value over \$10,000,000</td><td>65 bpts</td><td>65 bpts</td><td>25 bpts</td></tr></table> <p><b>Key: 100bpts=1.0%</b></p> <p>The Fee shall be paid quarterly in advance on the first day of each calendar quarter. The quarterly payment shall be equal to 1/4 of the Fee (as determined under the Fee Schedule) multiplied by the value of the account as of the close of the last trading day of the preceding calendar quarter, as reported by the Custodian.</p> <p>The Fee for the first calendar quarter shall be payable upon deposit of any funds or securities into the account. The Fee will be based on the value of such assets upon deposit, as valued by the Custodian. The Fees will be prorated based on the number of calendar days remaining in such quarter beginning with the date of deposit.</p> <p>The Fee Schedule may be revised by Adviser upon notice to the Client, and the new Fee schedule will be in effect as of the first calendar quarter beginning 30 days or more after Adviser provides notice of such revision. Fees are not charged on the basis of a share of capital gains upon or capital appreciation of the account or any portion of the account. The fee schedule above is in effect as of the date of this Brochure. Client will provide the Custodian with such documentation as Custodian requests authorizing and directing the Custodian to deduct the Fees from the account and to pay Adviser and the Program Managers their respective shares of the Fees upon submission of a Fee invoice (which may be electronic) to the Custodian.</p>			\$500,000 or less	100 bpts	100 bpts	25 bpts	Next \$ 500,000	95 bpts	95 bpts	25 bpts	Next \$2,000,000	90 bpts	90 bpts	25 bpts	Next \$2,000,000	85 bpts	85 bpts	25 bpts	First \$2,500,000	80 bpts	80 bpts	25 bpts	Next \$2,500,000	70 bpts	70 bpts	25 bpts	Value over \$10,000,000	65 bpts	65 bpts	25 bpts
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**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Sawtooth Asset Management, Inc.**

SEC File Number:  
801-

Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
	<p>The value of the account and the value of any asset in the account shall be the value reflected on the Custodian's statements (or on the Custodian's internal system, for valuations other than as of the close of a calendar month or quarter). In the event the Custodian does not value any asset, the asset shall be valued by Adviser in such manner as it shall determine in good faith to reflect its fair value, in accordance with generally accepted industry standards. Money market accounts and bank accounts, if any, shall be valued as of the valuation date.</p> <p>Client may make additions to or withdrawals from the account at any time, subject to Adviser's right to terminate the account if it falls below the minimum account size stated in this Brochure. Assets deposited into the account after the beginning of a calendar quarter shall be charged a prorated Fee based upon the number of days remaining in the quarter, and such prorated Fee shall be payable upon deposit of such assets. Client may withdraw account assets upon notice to the Adviser, subject to usual and customary securities settlement procedures. No Fee adjustments shall be made for partial withdrawals or for account appreciation or depreciation within a billing period. A prorated refund of Fees charged shall be made if the account is closed within a calendar quarter.</p> <p>Currently, the Program Managers are the Adviser and thinkorswim Advisors, Inc. ("TOS-IA"), both registered investment advisers. See below under "Investment and Brokerage Discretion; Recommendation of Brokers," and "Additional Compensation" for further information with respect to financial industry affiliations, compensation, and conflicts of interest involving Adviser, Adviser's principal officers, the Representatives, TOS-IA, and TOS-IA's affiliate, thinkorswim, Inc., an SEC-registered brokerdealer and member of FINRA ("TOS-BD").</p> <p>The UMA Agreement may be terminated by either party at any time without penalty upon written notice to the other party. Such termination shall not, however, affect liabilities or obligations incurred or arising from transactions initiated under the UMA Agreement prior to such termination, including the provisions regarding arbitration, which shall survive any expiration or termination of this Agreement. Upon termination, Client shall have the exclusive responsibility to monitor the securities in the account, and neither Adviser nor the Program Managers shall have any further obligation to act or advise with respect to those assets. If Client terminates the UMA Agreement within five</p>	

**Schedule F of  
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SEC File Number:  
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer	
	<p>business days of its signing, Client shall receive a full refund of all fees and expenses. If the UMA Agreement is terminated after five business days of its signing, any prepaid fees shall be prorated and the unused portion shall be returned to Client. Upon termination of the Agreement, the account will be charged any introducing or clearing broker's customary fees and commissions, and the Custodian's fees for services provided with respect to closing the account and holding, transferring or liquidating the assets. Additional fees and expenses payable upon termination of the Agreement may be described in the Manager Disclosure Documents.</p> <p><b><u>Financial Planning Services</u></b></p> <p>Certain Representatives provide financial planning services on Adviser's behalf. Clients seeking financial planning services will enter into an Agreement which describes the services the Representative will provide on Adviser's behalf, and the Fees for such services.</p> <p>In providing financial planning services, the Representative will typically ask the Client to provide detailed information with respect to the Client's personal and family situation, financial condition, investment objectives, risk tolerance, investment time horizon, estate and retirement plans, trust agreements, wills, investment, insurance, personal and family obligations, and other pertinent information.</p> <p>Based on this information, the Representative will prepare a written financial plan which will include recommendations to assist the Client in achieving his or her financial goals and objectives, such as obtaining insurance or revising existing coverage, establishing an individual retirement account, increasing or decreasing funds held in savings accounts, or investing in securities.</p> <p>Financial planning services will usually address a broad range of financial issues. However, when appropriate, the Representative may agree to provide specific, limited financial planning services, such as the following:</p> <p>PERSONAL: Family records, budgeting, personal liability, home and mortgage planning, estate information and financial goals.</p> <p>TAX &amp; CASH FLOW: Income tax and spending analysis and planning for past, current and future years. The Representative will illustrate the</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

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**Schedule F of  
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Applicant:  
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	<p>impact of various investments on a Client's current income tax and future tax liability.</p> <p>DEATH &amp; DISABILITY: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.</p> <p>RETIREMENT: Analysis of current strategies and investment plans to help achieve retirement goals.</p> <p>PUBLIC BENEFITS PLANNING: Analysis of current strategies related to medicare, medicaid and long-term care planning.</p> <p>INVESTMENTS: Analysis of investment alternatives and their effect on a Client's portfolio.</p> <p>Clients who receive financial planning services may choose to implement their financial plans by purchasing securities or insurance products offered through a Representative who is also a registered representative of an independent broker-dealer (a "Broker-Dealer") or is an appointed agent of an insurance carrier (an "Insurance-Carrier"). In those circumstances, the Representative will be acting as the Broker-Dealer's representative or the Insurance-Carrier agent, and the Broker-Dealer or Insurance Carrier and the Representative will receive commissions or other compensation (including 12b-1 fees, as described below) as a result of those investments. Consequently, Clients should be aware that in those situations, there exists a conflict between the interests of the Client and the interests of the Representative as a result of the potential additional compensation to be earned if the Client chooses to purchase securities or insurance products. Clients are under no obligation to purchase any products or follow any course of action recommended by a Representative.</p> <p>Each Representative establishes the fee schedule for financial planning services he or she provides. The fee schedule will be provided to the Client before entering into an Agreement. Financial planning services may be charged on an hourly or fixed fee arrangement. Hourly rates vary between \$150 to \$450 per hour. Fees are negotiable and will vary depending upon the particular Representative who provides the services, the complexity of the Client situation and services to be provided, prior or anticipated relationships, as well as the size of the Client's assets, and the possibility for additional business, as</p>	

**Schedule F of  
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Item of Form (identify)	Answer	
	<p>determined by the Representative within his or her discretion. All financial planning agreements must be approved by Adviser. Similar financial planning services may be available elsewhere at lower cost to the Client.</p> <p>Financial planning services terminate upon completion of the services described in a financial planning Agreement. A Client may terminate a financial planning Agreement at any time, and will receive a prorated refund of the Fee based on the proportion of the total services that the Representative has performed through the date Adviser receives written notice of such termination.</p> <p><b><u>General Information Concerning Fees and Advisory Accounts</u></b></p> <p><b>Possibility of Lower Fees:</b> Clients should be aware that lower fees for comparable services may be available from other advisers.</p> <p><b>Negotiability of Fees:</b> In certain circumstances, Adviser may agree to negotiate its fees. Adviser may charge different fees to Clients receiving the same services. The Fees described in this Brochure represent Adviser's basic Fees charged to Clients absent negotiable circumstances. Fees are negotiated on a case-by-case basis, depending on variety of factors, including the nature and complexity of the particular service, the availability of qualified personnel, the Client's relationship with the firm, the size of the account, and the potential for other business or Clients, among other factors.</p> <p><b>Direct Debiting of Fees:</b> The UMA Agreement will provide that the Custodian will pay the Fees immediately upon the Custodian's receipt of Adviser's (or a Program Manager's) invoice, without further inquiry and without prior notice to or consent of the Client. All account assets, transactions, and Fees will be shown on the monthly or quarterly account statements provided by the Custodian.</p> <p><b>Other Fees and Charges:</b> In addition to the Fees, the Client will be responsible for any other fees and charges as described in the Agreement, as well as any other fees and charges described in this Brochure, and in any agreement with the Custodian or other third parties.</p> <p><b>Mutual Fund Fees and Expenses:</b> If the Client's account is invested in</p>	



**Schedule F of  
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3.	<p>mutual funds (including money market funds and exchange-traded funds ("ETFs")), the Fees paid to Adviser will be separate and distinct from the fees and expenses charged by the mutual funds and ETFs to their shareholders. Additionally, mutual funds may impose a contingent deferred sales charge ("CDSC") if shares are sold within a short time period, usually within 30, 60 or 90 days from the date of purchase. The CDSC is generally one percent. Mutual funds and ETFs will also charge a management fee, transaction costs, and a possible distribution or service fee made pursuant to a plan adopted under SEC Rule 12b-1 (a "12b-1 Fee").</p> <p>Mutual fund and ETF fees and expenses are described in each fund's and ETF's prospectus or summary disclosure. A Client could invest in mutual funds and ETFs directly, without the services of Adviser, a Representative, or a Program Manager. In that case, the Client would not receive the services provided by Adviser, the Representative, and the Program Manager which are designed, among other things, to identify mutual funds or ETFs which are more appropriate in light of the Client's objectives, needs, and circumstances. Accordingly, Clients should review the fees charged by the funds and ETFs in which their accounts are invested in evaluating the costs of the services being provided.</p> <p><b>Fees and Commissions for Custodial and Brokerage Services:</b> Fees charged by the Custodian, and fees and commissions charged by exchanges, electronic communications networks, introducing and executing brokers, and other trading intermediaries will be paid by Client and will be in addition to the fees owed to Adviser.</p> <p><b>Trade Errors:</b> On infrequent occasions, an error may be made in a Client account. For example, a security may be erroneously purchased for a Client account instead of sold. In these situations, if Adviser was responsible for such error, the Adviser's policy is to restore or return the account to the position it would have been in had the trading error not occurred. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, or reimbursing the account. Each Program Manager may establish its own separate policies and procedures with respect to trade errors for which it is responsible.</p> <p><b>TYPES OF INVESTMENTS</b></p>	

**Schedule F of  
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Item of Form (identify)	Answer	
<b>4. A &amp; 4. B</b>	<p>In connection with providing financial planning services, or in connection with explaining UMA to Clients and prospective Clients (or assisting Clients in funding their UMA account), Adviser may provide advice with respect to exchange-listed or over-the-counter equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, ETFs, US Government securities, and options. Adviser will provide advice regarding specific investments to be made in a UMA account, and will manage and have discretionary authority to effect a purchase, sale, or other transaction for a UMA account.</p> <p><b>METHODS OF ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</b></p> <p>Adviser is responsible for identifying and selecting investment options for inclusion in a clients UMA. This includes identifying and selecting the advisers who will be permitted to serve as Program Managers in UMA. In deciding to approve a Program Manager to participate in UMA, Adviser will obtain and evaluate appropriate information regarding the Program Managers background and reputation, and investment styles, strategies, and related risks and potential benefits.</p> <p>In providing financial planning services, a Representative may utilize or rely on financial newspapers and magazines, corporate rating services such as Morningstar, annual reports, prospectuses and press releases, research reports and analysis of performance provided by the Custodian, the Broker-Dealers, or other third parties, and publicly available research and reports.</p> <p>Adviser will not be responsible for implementing the investment strategies for individual Program Managers in UMA accounts. The strategies to be used by the Program Managers may include, among others, long-term purchases, short-term purchases, trading (securities sold within 30 days), margin transactions, or option transactions or strategies. Clients are referred to the Manager Disclosure Documents for details regarding the methods of analysis, sources of information, and investment strategies to be used by the Program Managers.</p>	
<b>5.</b>	<p>Adviser requires that the person providing investment advice be registered as an Investment Adviser Representative in their applicable state(s).</p>	

**Schedule F of  
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**Sawtooth Asset Management, Inc.**

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
<b>6.</b>	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p><b>Bradley Earl Pries Born: 1966</b></p> <p><b>Education:</b> University of Minnesota Carlson School of Management (M.B.A. Finance 1990) University of Minnesota Carlson School of Management (B.S. Business 1988)</p> <p><b>Business Background:</b> Sawtooth Asset Management, Inc. President 05/09 to present</p> <p>Redhawk Wealth Advisors, Inc. President 02/2008 to 04/2009</p> <p>thinkorswim, Inc. Registered Representative 03/2008 to present</p> <p>Mount Yale Portfolio Advisors, LLC Senior Vice President 05/2005 to 02/2008</p> <p>Mount Yale Securities, LLC Senior Vice President 05/2005 to 02/2008</p> <p>Integrated Portfolio Management Vice President 08/1992 to 05/2005</p> <p>MAI Advisors Vice President 03/2002 to 05/2005</p> <p>Joseph Daniels Securities LLC Chief Compliance Officer 12/1998 to 08/1999</p> <p>American General Securities Inc. Branch Manager 04/1997 to 08/1999</p>

Complete amended pages in full, circle amended items and file with execution page (page 1).

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Item of Form (identify)	Answer	
	<p><b>David J. Stennes Born: 1963</b></p> <p><b>Business Background:</b> Sawtooth Asset Management, Inc. Marketing Manager 05/09-Present</p> <p>thinkorswim Inc. Registered Representative 06/09-Present</p> <p>Advisor Resource Group, Inc. President 10/01-Present</p> <p>Financial West Group Registered Representative 01/08-05/09</p> <p>Sammons Securities Company, LLC Regional Sales Director, Registered Representative 01/02-12/05</p> <p>Woodbury Financial Services, Inc. Regional Sales Director, Registered Representative 06/99-12/01</p> <p>Washington Square Securities Brokerage Director, Registered Representative 03/97-05/99</p> <p>Axa Equitable/Hornor Townsend &amp; Kent/ Key Insurance Group, Inc. Financial Advisor/Brokerage Director 09/1987-02/1997</p>	
8.	<p>David Stennes is the owner of Advisors Resources Group Inc. (ARG), an insurance wholesaling company. Solicitor firms of Sawtooth Asset Management, Inc. may from time to time refer clients to their affiliated insurance organization who may in turn do business with ARG. In that event, ARG would receive compensation through non-securities (insurance) products sold under these circumstances.</p> <p>Solicitor firms of ARG are independent contractors and have no obligation to do business with any of these companies.</p>	
9.	<p><b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS; CODE OF ETHICS</b> Adviser has adopted a Code of Ethics expressing the firm's</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1).

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	<p>commitment to ethical conduct. Adviser's Code of Ethics describes the firm's fiduciary duties and responsibilities to Clients, and sets forth Adviser's practice of supervising the personal securities transactions of supervised persons with access to information regarding Client recommendations or transactions.</p> <p>Adviser or any of its principals, officers, affiliates, employees and Representatives may act as investment adviser for others, may manage funds or capital for others, may have, make and maintain investments in its or their own names, or may serve as an officer, director, consultant, partner or stockholder of one or more investment partnerships or other businesses. In doing so, Adviser or such persons may give advice, take action, and refrain from taking action, any of which may differ from advice given, action taken or not, or the timing of any action, for any particular Client.</p> <p>Individuals associated with Adviser may buy or sell securities for their personal accounts identical to or different than those recommended to Clients. It is the expressed policy of Adviser that no person employed by Adviser shall prefer his or her own interest to that of an advisory Client or make personal investment decisions based on the investment decisions of Clients. Subject to the Code of Ethics, Adviser and its employees are permitted to trade for their own accounts side-by-side and in block transactions (see below) with the firm's Clients in the same securities, and at the same time.</p> <p>To supervise compliance with its Code of Ethics, Adviser requires that anyone associated with the firm who has access to information regarding Client investment recommendations or transactions must provide an initial and annual securities holdings report and quarterly transaction reports to the firm's Chief Compliance Officer. Adviser requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited offerings).</p> <p>Adviser requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Adviser's Code of Ethics also includes the firm's policy prohibiting the use of material non-public information.</p> <p>Any individual who fails to abide by the firm's Code of Ethics may be</p>	

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	<p>subject to discipline. Adviser will provide a copy of its Code of Ethics to any Client or prospective Client upon request to the Chief Compliance Officer at Adviser' principal address.</p> <p><b>Non-Exclusivity; Non-UMA Clients.</b> Adviser, the Program Managers, and their respective managers, members, employees, affiliates and agents: (i) may have or take the same or similar positions in specific investments for their personal accounts, or for the accounts of their non-UMA clients, as the positions taken for the clients UMA Accounts; and (ii) shall be free to render investment advice to others and are not bound to render services exclusively to UMA clients. Nothing in this Brochure or otherwise shall impose upon Adviser or any Program Manager any obligation to purchase or sell, or to recommend for purchase or sale, for any UMA Accounts any security which Adviser, a Program Manager, or its managers, members, employees, affiliates, or agents, purchase or sell for their own accounts or for the accounts of their non-UMA clients, if in their reasonable opinion, such investment would be unsuitable for the UMA Accounts or if they determine in the best interest of the UMA Accounts it would be impractical or undesirable.</p>	
10.	<p><b>CONDITIONS FOR MANAGING ACCOUNTS</b></p> <p>Generally, a Client must maintain a minimum of \$100,000 in assets in a UMA account (Account Minimum). Adviser may waive the Account Minimum or require a higher or lower minimum, in its sole discretion. If the aggregate value of the Clients UMA account falls below the Account Minimum, the Adviser has the right to either require deposit of additional amounts to bring the value of the account up to the Account Minimum or close and liquidate the account and send the proceeds to the Client in accordance with the Clients written delivery instructions.</p>	
11.	<p><b>REVIEW OF ACCOUNTS; REPORTS</b></p> <p><b>Reviews:</b> Adviser monitors the investments in the UMA accounts on a continuous basis, and reviews UMA accounts monthly in light of the accounts stated investment objectives and any guidelines. More frequent reviews may be triggered by material changes in variables such as the Client's individual circumstances, or the market, political or economic environment. Clients are referred to the Manager Disclosure Documents for information regarding the account review policies of the Program Managers. In addition, the Representative for UMA accounts will review the accounts at least annually.</p>	

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12.	<p><b>Reviewers:</b> Client UMA accounts are reviewed by Advisers Chief Compliance Officer or other member of Advisers senior management. Clients are referred to the Manager Disclosure Documents for information regarding the individuals who review accounts on behalf of the Program Managers.</p> <p><b>Reports:</b> Clients participating in UMA will receive monthly or quarterly statements and confirmations from the Custodian, and will receive quarterly performance reports from Adviser.</p> <p><b>Financial Planning Clients:</b> The accounts of Clients receiving financial planning services will be reviewed, if at all, as provided in the financial planning Agreement. The review will be conducted by the Representative, unless otherwise stated in the financial planning Agreement. Financial planning Clients will receive only the reports described in their financial planning Agreement.</p> <p><b>INVESTMENT AND BROKERAGE DISCRETION; RECOMMENDATION OF BROKERS</b></p> <p><b>Discretion:</b> In the exercise of its authority as a Program Manager, Adviser will have discretion to effect transactions for an account, select the broker or dealer to be used, and to negotiate the commission rates to be paid. Adviser will also have full discretion to liquidate assets transferred into a UMA account by the Client, to allocate and reallocate the UMA accounts among the Program Managers, to increase or decrease the portion of the account allocated to each Program Manager, and to hire new Program Managers and fire existing Program Managers.</p> <p><b>Recommendation of Brokers:</b> Advisers principal officers are registered representatives of thinkorswim, Inc., an SEC-registered broker-dealer and member of FINRA (TOS-BD). TOS-BD and thinkorswim Advisors, Inc., an SEC-registered investment adviser (TOS-IA).</p> <p>TOS-IA is one of the Program Managers. Pursuant to the UMA Agreement, if TOS-IA is a Program Manager for a UMA, the Client will direct that TOS-BD will be the introducing broker-dealer of record for that UMA account, and will direct that all brokerage transactions for the account will be placed with TOS-BD, as introducing broker-dealer, and Custodian, as clearing broker-dealer. Clients will not be permitted to direct transactions to any other</p>	

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
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13. A	<p>broker dealer or electronic communications network if they agree to use TOS-IA as one of their Program Managers.</p> <p>In recommending the use of TOS-BD and Custodian, Adviser has evaluated their execution and related services, commission and transaction costs, experience, and professionalism, and believes its recommendation is reasonable and consistent with the overall best interests of the Client. However, in directing the use of a TOS-BD and Custodian, as brokers for the account, it should be understood that neither Adviser nor any Program Manager will negotiate commissions or obtain volume discounts among various brokers, and best prices and lowest commissions may not be obtained for transactions placed through TOS-BD and Custodian. Similarly, the Program Managers will not aggregate Client orders with orders for other clients not participating in UMA, and will not aggregate Client orders with orders for the portions of the UMA accounts managed by other Program Managers, and as a result, the accounts will not receive the benefits of block orders and a disparity in commission charges may exist between the commissions charged to Clients and the Program Managers non-UMA clients. Lower costs for comparable services may be available through other brokerdealers or custodians. Not all advisers require clients to designate the use of a particular broker.</p> <p>Clients should refer to the discussion below under Additional Compensation for further information with respect to conflicts of interest involving Adviser, TOS-IA, and TOS-BD.</p> <p><b>ADDITIONAL COMPENSATION</b></p> <p>TOS-BDs business consists primarily of orders placed electronically. In the UMA Agreement, the Client will direct TOS-IA as a Program Manager to place all orders with TOS-BD, as introducing broker-dealer, and Custodian, as clearing broker-dealer. TOS-BD and Custodian will receive commissions and other economic benefits as a result of effecting such transactions. The compensation received by TOS-BD could be viewed as creating an indirect economic benefit for TOS-IA due their common ownership.</p> <p>For its brokerage and related services, Custodian(s) may charge commissions, mark-ups, mark-downs, and other transaction-related charges, and may also charge a fee for its services as custodian. The amount of such fees and expenses will be stated in the Custodians</p>	



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Sawtooth Asset Management, Inc.**

SEC File Number:  
801-

Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
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	<p>documentation to open the account.</p> <p>Adviser and the Representatives (including Advisers principal officers) may receive 12b-1 Fees as a result of an accounts investment in funds which have adopted 12b-1 plans. Thus, Adviser and the Representatives may have an incentive to recommend to financial planning Clients that they invest in funds which pay 12b-1 Fees or to select Program Managers who purchase for UMA accounts funds or fund families which pay 12b-1 Fees. Adviser and the Representatives will endeavor to act in the best interests of the Client, but the presence of such compensation creates an economic incentive that may influence their decisions.</p> <p>Some of the Representatives are also registered as representatives of independent broker-dealers (each a Broker-Dealer). Adviser and the Broker-Dealers are not affiliated companies. Because a Representative may provide investment advisory services on behalf of Adviser and provide brokerage services on behalf of a Broker-Dealer, it is important for Clients to understand which products and services are being provided by each company. Investment advisory services provided for UMA accounts are provided by Adviser or by the Representatives acting on behalf of Adviser, or by a Program Manager. Financial planning services provided pursuant to a financial planning Agreement are also provided by Adviser or by a Representative acting on behalf of Adviser.</p> <p>Clients who receive financial planning services may choose to implement their financial plans by purchasing securities or insurance products offered through a Representative who is a registered representative of a Broker-Dealer. When implementing recommendations in a financial plan, the Representative will be acting as the representative of a Broker-Dealer, and will not be acting on behalf of Adviser. The Broker-Dealers and the Representatives may be entitled to compensation based on insurance or securities transactions they effect for financial planning Clients, which will be in addition to the compensation payable under the Clients financial planning Agreement. The Representatives will endeavor to act in the best interests of the Client, but the presence of such compensation creates an economic incentive that may influence their decisions. Clients are under no obligation to purchase any products or follow any course of action recommended by a Representative.</p>	
<b>13. B</b>	<b>REFERRAL ARRANGEMENTS</b> Adviser may enter into arrangements with one or more third parties	

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Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Sawtooth Asset Management, Inc.</b>		IRS Empl. Ident. No.:
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	<p>(each a Rep Recruiter) whereby the Rep Recruiter will refer prospective Representatives to Adviser, and in return, if the prospective Representative registers as a Representative and has clients who participate in UMA, Adviser will pay the Rep Recruiter an annual referral fee based on the value of UMA accounts for Clients of the referred Representative. Adviser may also enter into arrangements with independent investment advisers, broker-dealers, or their representatives whereby Adviser will pay an annual referral fee for each Client referred by such adviser, broker-dealer, or representatives. Adviser is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940, and any comparable state regulations. Although the Rep Recruiter will not typically engaged in solicitation activities with respect to any particular Client or prospective Client (and would, therefore, not be considered to be a solicitor under such rules), if the Rep Recruiter does engage in solicitation activities with a Client or prospective Client, the Rep Recruiter shall conform to the requirements applicable to Advisors other solicitors with respect to such solicitation activities.</p> <p>The amount (or range of amounts) of referral fees will be disclosed to the Client or prospective Client in the Solicitor Disclosure Document. The Fee paid by a Client who participates in UMA and is referred by a Representative who was referred by a Rep Recruiter, or by an independent adviser, broker-dealer, or representative may be higher (by the amount Adviser pays in referral fees) than the Fee the Client would have been charged if the Representative or the Client had not been so referred. A Solicitor's Disclosure Document will be provided to each Client who is solicited, and the Firm will retain the clients signed acknowledgement of receiving this Brochure, the Managers Disclosure Documents, and the Solicitors Disclosure Document.</p> <p><b>OTHER MATTERS</b></p> <p><b>Proxy Voting:</b> Neither Adviser nor any Program Manager will vote or accept authority to vote proxies on behalf of its Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client accounts. However, Adviser or a Program Manager may, in their discretion, provide advice to Clients regarding the voting of proxies.</p> <p><b>Class Actions, Bankruptcies and Other Legal Proceedings:</b> Client's</p>	

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

Applicant:  
**Sawtooth Asset Management, Inc.**

SEC File Number:  
801-

Date:

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

**Sawtooth Asset Management, Inc.**

IRS Empl. Ident. No.:

Item of Form (identify)	Answer
	<p>should note that neither Adviser nor any Program Manager will advise or act on behalf of the Client in legal proceedings involving companies whose securities are held or previously were held in the Client's account (s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, Clients may direct Adviser to transmit copies of class action notices to the Client or a third party. Upon such direction, Adviser will make commercially reasonable efforts to forward such notices in a timely manner.</p> <p><b>Suitability of Investments:</b> A transactions suitability for the Client shall be determined as of the date the transaction was executed for the Clients account. All transactions effected for the Clients account will be deemed to be suitable in light of the Clients financial situation, investment objectives, risk tolerance, and investment time horizon, unless written notice to the contrary is received by the Adviser within 10 business days following the Clients receipt of the Custodians statement reflecting such transactions.</p> <p><b>Conflict Between Brochure and Agreement:</b> In the event of any discrepancy or conflict between the information contained in this Brochure and the Agreement, the Agreement shall control.</p> <p><b>Use of Term "Registered Investment Adviser":</b> Clients should be aware that the term Registered Investment Adviser does not imply any certain level of skill or training.</p> <p><b>Short-term Gains and Losses for Tax Purposes:</b> Clients should note that if a Program Manager effects short-term transactions on behalf of Client accounts, such transactions may result in short-term gains or losses for federal and state tax purposes. Clients should review the treatment of such tax consequences with his or her accountant or tax counsel.</p> <p><b>Privacy Policies:</b> Adviser seeks to carefully safeguard the Clients personal information. When processing transactions or managing accounts on the Clients behalf, Adviser will maintain physical, electronic and procedural safeguards to protect the Clients non-public personal information. Adviser may disclose non-public personal information to non-affiliated third parties, such as brokers and custodians, as necessary to facilitate the acceptance and management of our relationship with the Client. Adviser may also disclose the Clients nonpublic</p>

Schedule F of  
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Applicant: Sawtooth Asset Management, Inc.	SEC File Number: 801-	Date:
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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Sawtooth Asset Management, Inc.		IRS Empl. Ident. No.:
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	<p>personal information to other financial institutions with whom Adviser has joint business arrangements for proper business purposes. In addition, a Clients non-public personal information may be released to the Client, to the Clients authorized agent or representative, or if Adviser is compelled to do so by law, or in connection with any government or self-regulatory organizational request or investigation. Finally, Adviser may disclose the Clients non-public personal information to companies Adviser hires to help administrate its business. Companies Adviser hires to provide these types of services are strictly prohibited from using the Clients personal information for their own purposes and are contractually obligated to maintain strict confidentiality.</p>	