

## Sage Capital Holdings, LLC

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This Brochure provides information about the qualifications and business practices of Sage Capital Holdings, LLC. If you have any questions about the contents of this Brochure, please contact us at (404) 262-9283. 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 Capital Holdings, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Sage Capital Holdings, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients at least annually. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at the number above or by emailing us at [info@sagesoutheastern.com](mailto:info@sagesoutheastern.com).

Additional information about Sage Capital Holdings, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site provides information about any persons affiliated with Sage Capital Holdings, LLC who are registered, or are required to be registered, as investment adviser representatives of Sage Capital Holdings, LLC.

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#### **Item 4 – Advisory Business**

Sage Capital Holdings, LLC (“Sage”) was established in 2010 and approved as a Registered Investment Adviser in July 2010. Sage has no principal owners owning 25% or more of the firm.

Sage also offers a wrap fee program, which is disclosed in separate Wrap Fee Brochure. This wrap program includes a mutual fund asset allocation program, and portfolio management services which may consist of equities, mutual funds, exchange traded funds (ETF’s), options along with high quality individual fixed income and equity securities.

#### **Investment Management**

Sage offers investment advisory services to individuals, trusts, and estates. Advice and services are tailored to the stated objectives of the client. Sage Advisory Representatives work with their clients to identify their investment goals and objectives, as well as risk tolerance, in order to create an initial portfolio allocation designed to complement the client’s financial situation and personal circumstances. The portfolio may consist of equities, mutual funds, options, fixed income securities and alternative investments. Generally, a limited financial plan is created in connection with the initial portfolio allocation. Clients are advised that should their financial situation or investment goals or objectives change, they must notify Sage promptly of the changes.

Portfolios are constructed along basic investment objective categories and focus primarily on a long-term buy and hold approach as opposed to short-term trading. A short-term trading strategy may be used when Sage deems it to be appropriate given current market conditions. Each client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. The Advisory Representative may periodically rebalance the client’s account to maintain the initially agreed upon asset allocation.

Through the investment advisory agreement, the client may grant to Sage limited discretionary authority to execute its investment recommendations. The limited discretionary authority allows Sage to purchase and sell investment products in this account, arrange for payment of investment transactions, and act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets. Sage is not allowed to withdraw funds from a client account except for the payment of fees pursuant to the written agreement.

Clients have ready access to their respective portfolio manager/Advisory Representative. Portfolio managers are not required to be available for unscheduled or unannounced visits by clients. However, portfolio managers are expected to periodically meet with their clients and should generally be available to take client telephone calls on advisory-related matters.

#### **Mutual Fund Asset Allocation**

Reliance Trust Corporation (“RTC”) is an affiliate of Sage through common ownership. RTC is a state-chartered bank and trust company that provides a variety of trust services to individuals, corporations and institutions. Through RTC, Sage is able to offer its clients access to a mutual fund asset allocation program. The client is advised to read additional disclosure information provided by RTC relative to the various mutual fund asset allocation programs offered. The Sage Advisory Representative will meet the client to identify their risk tolerances and investment goals and objectives to determine which one of multiple mutual fund allocation models best meets the client’s financial objectives. The Advisory Representative will work with the client to gather necessary financial information, set restrictions or limitations on the management of the account, explain portfolio strategies and transactions and answer

any client questions. Clients are advised that they should notify their Advisory Representative of any changes to their financial situation or investment goals or objectives.

### **Financial Planning**

Sage may prepare and provide clients with a written financial plan designed to help them achieve their financial goals and investment objectives. The preparation of such a plan may necessitate that the client provide Sage with personal data such as family records, budgeting, personal liability, estate information and additional financial goals.

The financial plan may include any or all of the following requested and/or directed by the client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, asset allocation comparisons and risk management.

Should a client choose to implement the recommendations contained in the plan, Sage suggests that the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion. Advisory Representatives may also act as a Registered Representatives through Sage Southeastern Securities, Inc., an affiliated broker/dealer. They may also be licensed to sell life, health and group insurance through an affiliated insurance agency. Clients are under no obligation to utilize services of associated persons in the purchase or sales of securities or insurance products. However, if transactions are conducted through Sage or its affiliated broker/dealer, then commissions may be earned by those persons in addition to any advisory fees charged by the applicant.

As of March 23, 2011, Sage held \$28,100,000 in discretionary assets under management and \$5,500,000 in non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

### **Investment Management**

Fees are based on a percentage of assets under management and are determined by the value of the managed assets at the end of the month, if held at Reliance Trust Company, and are charged fees based on the average daily balance during the month, if held at National Financial Services, LLC (NFS). Under no circumstances will fees be calculated based on a percentage of capital gains in the portfolio. The annual fee schedule for these services is:

<u>Dollar Amount</u>	<u>Annual Fee</u>
Up to \$250,000	2.50%
\$250,001 to \$500,000	2.00%
\$500,001 to \$1,000,000	1.75%
\$1,000,000 and above	1.50%

Fees are due at the end of each month, and are deducted directly from the client account, unless otherwise specified in the advisory contract. In the event of termination, any balance due will be invoiced by the client for remittance. All fees are negotiable subject to the discretion of management.

### **Mutual Fund Asset Allocation**

Fees for the mutual fund allocation program are based on a percentage of assets under management and are determined by the value of the managed assets at the end of the month. Under no

circumstances will fees be calculated based on a percentage of capital gains in the portfolio. All assets are held in custody at RTC.

The annual fee schedule for these services is:

<u>Dollar Amount</u>	<u>Annual Fee</u>
Up to \$250,000	2.50%
\$250,001 to \$500,001	2.00%
\$500,001 to \$1,000,000	1.75%
\$1,000,000 and above	1.50%

RTC receives a portion of the above fee that varies with the services provided with the remaining amount being paid to Sage and the Investment Advisory Representative. Fees are due at the end of each month and are deducted directly from the client account per written agreement, unless otherwise specified in the advisory contract. In the event of termination, any balance due will be invoiced to the client for remittance. All fees are negotiable subject to the discretion of management.

### **Financial Planning**

Financial planning services are charged through a fixed fee as agreed upon between the client and the Sage Investment Advisory Representative ("IAR"). Fixed fees range from \$500 to \$1,500 per plan and are collected upon completion of the plan. Fees are negotiable and will vary depending upon the complexity of the client situation and services to be provided. Lower fees for comparable services may be available from other sources.

### **General Fee Information**

Management fees are payable in arrears on a monthly basis, commencing when both the client investment management agreement is signed and the assets are deposited in the client's account. Deposits and withdrawals made during the month will be billed for the time that the funds were under management. Sage has the right to change any or all of its fee schedules with 30 days written notice. Sage is not compensated on the basis of a share of capital gains or capital appreciation in a client's account.

As authorized in the Client Agreement, the account custodian withdraws advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodian sends the client a statement at least quarterly indicating the amount disbursed from the account including the amount of advisory fees paid to Sage. The custodian of the account, not Sage, holds all customer assets. Clients may be billed directly for advisory services if requested. In this case the client will receive an invoice indicating the amount of the fee, the value of the Client's assets on which the fee was based and the specific manner in which the fee was calculated. Clients should verify the accuracy of the computation; the custodian will not do an independent verification of the accuracy of the computation of fees.

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of Sage or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive the advisory representative's assistance in developing an

investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary, if such a course of action is taken.

If there is a net debit cash balance in the account as a result of using margin, the cash balance will be excluded from the fee calculation. Net positive cash balances in type 1 (cash account) and type 2 (margin account) are included in the fee calculation. The minimum annual fee is \$1,000. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above. Sage, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

NFS does charge brokerage transaction based fees or “ticket charges” that vary by security and type of transaction and may be passed to the client. Additionally, Sage may be charged an administrative fee by NFS to cover expenses associated with the administration of the program. This fee will be paid by Sage to NFS and will not be charged back to the client. Some mutual funds are part of a “No Transaction Fee” program and have lower or no ticket charges but may still have a \$5 administrative charge per transaction. Transaction fees for exchanges of one mutual fund for another within the same fund family have lower transaction fees and hence are more commonly used for making adjustments to the portfolio. Some mutual funds within this program pay 12b-1 service fees (normally 0.25% per year) to NFS. Because the accounts in this program are thru Sage Southeastern Securities, Inc., those “indirect” service fees are passed on to Sage and/or the Advisor. Indirect fees received from mutual funds are considered and anticipated when Net Fees are set. Sage may waive ticket charges for clients that generate \$5,000 or more in advisory fees annually. These fees will be paid by Sage to NFS and will not be charged back to the client. Because of these transaction fees, the Advisor may be careful to limit the number and frequency of transactions consistent with the best interests of the client. In situations whereby Sage or the Advisor absorbs the ticket charge, this could pose a conflict as the Advisor may not trade as frequently in the account.

Transaction fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. A portion of the fees charged by Sage for advisory services may be paid to Sage Financial Advisors. Financial Advisors may have a financial incentive to recommend advisory services over broker/dealer services. Costs and transaction fees arising out of transactions effected by entities other than Sage or NFS or attributable to dealer mark-ups, mark-downs or “spreads” (in transactions where another entity acts as principal for its own account) will be separately borne by clients. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

#### **Account Termination**

The client may terminate the contract without penalty within five business days after entering into the contract. This will not include any market losses which may have occurred. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the

contract, or in the case of an oral contract otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, Sage and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that normal ticket charges will apply and the custodian may charge a termination fee as outlined in your Client Agreement. Fees may be waived at management's discretion. Certain mutual funds impose redemption fees as stated in each company's fund prospectus. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees paid in arrears (pro-rated through end of the month in which termination is effective).

Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate the client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Sage and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

Most clients pay an asset-based fee, as described in Item 5. However, certain clients may elect to pay an individually negotiated fee that includes a performance fee based on quarterly net profits. In order to qualify for a performance based fee arrangement, clients require a minimum account balance of at least \$750,000 and a total net worth of \$1.5 million. Certain other "qualified purchasers" may also qualify pursuant to SEC Rule 205-3; this includes hedge fund clients.

Performance fee arrangements include an annual management fee, plus a performance fee equal to a percentage of any amount that exceeds the time-weighted average of the S&P 500 index, or other specified benchmark, on annual basis. Performance fees are negotiable and any such accounts are managed on a discretionary basis. In such cases, a "high water mark" ensures that if there are losses since inception of the account, those losses will be recaptured before a performance fee may be charged for subsequent quarters. In addition to the fee charged by Sage, the client will pay all ticket charges, as well as fees charged by mutual fund managers and fees for any additional services requested by the client. Wrap fee managed accounts are not eligible for a performance based fee structure.

Advisors managing performance based accounts while at the same time managing accounts without performance fees may constitute a conflict of interest in that a performance fee might provide incentive to the Advisor to favor that account to the disadvantage of other non-performance based accounts. In addition, the Advisor may have an incentive to trade more aggressively in order to earn a performance fee. Sage seeks to minimize potential conflicts of interest by monitoring trading activity utilizing an



electronic surveillance system to ensure trading activity is consistent with a clients stated investment objectives and risk tolerance.

#### **Item 7 – Types of Clients**

Sage provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts. The minimum account size is \$50,000. Account minimums may be waived at the discretion of management.

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

Our investment strategy begins with an understanding of a client's financial goals. Advisors use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term trading of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

#### **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 or the integrity of Sage's management. Sage has no information applicable to this Item.

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

Sage Southeastern Securities, Inc. ("SSEI") is under common control and is a full-service general securities broker-dealer registered with the Securities and Exchange Commission, Financial Industry Regulatory Authority (FINRA), and various state regulatory agencies. In this capacity, SSEI executes trades (as agent) for a commission in mutual funds, equities, bonds, options, variable annuities and other investment products on behalf of clients, who may or may not have an advisory fee agreement. Sage spends 90% of its time in this capacity. The principal business of its executive officers is the day-to-day management of its broker-dealer activities. As a broker/dealer, SSEI may have trade errors that result in a profit or loss to SSEI. SSEI has controls in place to limit such trade errors. Sage maintains consolidated financial records with its affiliated broker-dealer, Sage Southeastern Securities, Inc.

Reliance Trust Company (RTC) is a state-chartered bank and trust company that offers financial services to individuals, corporations and institutions, and may act as custodian for some clients of Sage. As discussed in Item 4, Sage and RTC have an agreement for RTC to provide a mutual fund asset allocation program to clients of Sage. A portion of the fee charged in connection with this program is paid to Sage. RTC is a subsidiary of Reliance Financial Corporation, who has a minority ownership holding in Sage. RTC and Sage are independently operated.

Sage Capital Holdings, LLC is also registered as a full service life and health insurance agency working with employee benefit related, corporate, personal, life and disability programs. Advisory Representatives of Sage may also be separately licensed as insurance agents. These individuals may spend as much as 50% of their time with these aforementioned non-advisory activities. In their capacities as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services. Clients are under no obligation to purchase any recommended insurance products through Sage.

Sage will recommend that clients establish brokerage accounts with National Financial Services, LLC (NFS), Reliance Trust Company or Providence Trust NV (collectively, the "Custodian") to maintain custody of clients' assets and to effect trades for their accounts. Although Sage may recommend that clients establish accounts at the Custodian, it is the client's decision. Sage is independently owned and operated and not affiliated with NFS or Providence Trust, NV. As noted above, Sage is affiliated with RTC through common ownership.

Item 12 includes additional details regarding brokerage practices and related disclosures.

### **Item 11 – Code of Ethics**

Sage 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 must acknowledge the terms of the Code of Ethics annually, or as amended.

Advisors of Sage may buy or sell securities that are recommended to clients. Sage's employees and persons associated with Sage are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Sage and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Sage's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Sage 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 not materially interfere with the best interest of Sage's clients. In addition, the Code requires pre-approval 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. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Sage and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Sage'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 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.

Sage's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer at our main number.

### **Item 12 – Brokerage Practices**

For accounts belonging to Sage clients maintained in its custody, the Custodian generally does not charge separately for custody services but is compensated by account holders through transaction-related or asset-based fees for securities trades that are executed through the Custodian or that settle into Custodian accounts. The Custodian may make products and services available to Sage that benefit Sage but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of Sage accounts. Some of these products and services provided by the Custodian may include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of Sage fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting.

The foregoing arrangements with NFS, RTC, Providence Trust NV and any other custodian that we may enter into an agreement with may pose a conflict of interest. Services provided may create an incentive for Sage to suggest that clients maintain their assets in accounts at a Custodian on the basis of products and services that may become available to Sage as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided by the Custodian to clients. However, Sage is constrained by fiduciary principles to act in its clients' best interests and will suggest a Custodian to clients only when it appropriate to do so. In addition, Sage maintains an awareness of the services provided to clients by the Custodians in an effort to ensure that clients are well served.

Advisors may suggest Sage Southeastern Securities, Inc. ("SSEI") for broker/dealer services to clients. Factors for such recommendation would be when transaction compensation is seen as a benefit to the client. For broker/dealer services, the Adviser or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. Commissions paid to advisers for broker/dealer services may be higher or lower than those paid by other brokers.

SSEI receives compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, SSEI receives compensation based on the value of assets in these funds as a broker-dealer. Thus, Advisors have an incentive to recommend that clients select a money market fund as a sweep vehicle that pays more compensation than other funds.

Sage may aggregate orders in a bunched trade or trades when securities are purchased or sold through the same broker-dealer for multiple accounts. The portfolio manager for each account must reasonably believe that the bunched order is consistent with Sage's duty to seek best execution and may benefit each client participating in the aggregated order. The average price per share of each bunched trade will be allocated to each account that participates in the bunched trade. Upon request, the client may request average price trade details. Accounts that participate in the same bunched trade will be charged commissions, if applicable, in accordance with their advisory contracts. Different accounts participating in a bunched transaction may not be charged the same commission rates.

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day will be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, partial fills generally are filled pro rata among participating accounts. If the amount to be allocated for each account is not indicated prior to placement of the trade, the Chief Compliance Officer must review and approve the allocation.

Changes in allocation prior to final allocation may be made for good cause provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation must be provided to and approved by the Chief Compliance Officer. If the change in allocation is the result of a condition that exists or a change in a client's account outside of the portfolio manager's control then approval is not required.

### **Item 13 – Review of Accounts**

For those clients to whom the Advisor provides investment supervisory services, account reviews are conducted on an ongoing basis. For those clients who are invested in Reliance Trust Corporation's Mutual Fund Management Program, account reviews are conducted on a quarterly basis. Such reviews

are conducted by the Advisory Representative that originally met with the client to initiate the advisory management agreement. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Advisor and to keep the Advisor informed of any changes thereto. Advisor shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. The client agrees to inform the firm promptly of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with Sage concerning the management of the client's account(s). Item 15 contains information regarding the custody reports provided.

Additional account reviews may be triggered by potential change (beyond client's needs) including changes in general economic and market conditions, analyst reports, company news and interest rate movement. There is no limit to the number of accounts assigned to the reviewer.

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

Sage has an agreement with Advocacy WMS to pay for client referrals, although additional solicitor agreements may be initiated or existing ones terminated at any time. The solicitor's agreement entered into by Sage complies with rule 206(4)-3 promulgated under the Investment Advisors Act of 1940. If a client is solicited by Advocacy WMS, Sage will typically pay them 33% of the management fees it collects. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. The solicitor's fee will be based on Sage's normal fee schedule; you will not be charged any additional fees or expenses as a result of the referral.

#### **Item 15 – Custody**

Clients should receive statements at least quarterly from the qualified Custodian that holds and maintains your investment assets. Sage urges you to review carefully such statements and compare the official custodial records to any account statements that we may provide you. Information we may provide could vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

Sage may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, Sage observes the investment policies, limitations and restrictions of the clients advised. Investment guidelines and restrictions must be provided to Sage in writing.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Sage 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. In addition, Sage will not take any action or render any advice with respect to any securities held in any accounts that are named in or are subject to class action lawsuits. Sage will, however, forward any information received by Sage regarding class action legal matters involving any security held in the account. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

### Item 18 – Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about Sage’s financial condition. Sage has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

### Item 19 – Requirements for State-Registered Advisers

Thomas M. Johnson, III serves as Chief Compliance Officer and Ron Lankford serves as Treasurer. The following describes their formal education and business background.

**Thomas M. Johnson, III, CFP®** – CCO, Chairman of the Board of Directors

#### **Education Background:**

Dartmouth College – BA, Literature and Creative Writing (1975)

University of Georgia, Terry School of Business – Executive Program for Financial Planning (2008)

#### **Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
Sage Southeastern Securities, Inc.	Branch Manager	2010-Present
CurtisWood Capital, LLC	Branch Manager	2010-Present
First Legacy Securities, LLC	Branch Manager	2009-Present
Reliance Securities, LLC	Registered Representative	2009
Access Securities, Inc.	Registered Representative	1999-2009

Mr. Johnson is the Vice-Chairman and Chairs the Finance Committee on the Board of Directors at The Elaine Clark Center, Inc. He is also a Trustee of Dartmouth Club of Georgia. He does not receive any compensation for either of these positions. Mr. Johnson is a Director of Fifth Market, Inc; the the Liquidation Agent and Senior Debt Holder of Lucky Litter, LLC; he is a Director of Sensor Tech, Inc., a development stage technology company; and General Partner of New Science, LLC and Johnson Wayne, LLC, both family investment partnerships. He spends approximately 5% of his time on the aforementioned activities.

Mr. Johnson is the Senior Partner at Southern Trading Partners & Consultants, a non-proprietary trading desk, and is also Chairman of the Board of Managers, CEO and CCO of Sage Southeastern Securities, Inc. and spends up to 75% of his time in this capacity. Please see Item 12 for more information regarding Sage Southeastern Securities, Inc. which is an affiliated Broker/Dealer under common control. Mr. Johnson is the sole owner of Johnson Lane™ Advisors LLC, his financial planning practice operating as a Registered Investment Adviser Associate for Sage Capital Holdings LLC Registered Investment Adviser.

The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation is issued by the Certified Financial Planner Board of Standards, Inc after candidates pass the CFP Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances. Certified individuals are required to complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standard of Professional Conduct. As a prerequisite to sitting for the CFP Certification Examination, candidates must hold a bachelor’s degree (or higher) from an accredited college or university and have

at least 3 years of full time personal financial planning experience. In addition, candidates must complete a CFP-board registered program.

**Ron Lankford – Treasurer**

**Education Background**

Auburn University – BS, Business Administration of Finance (1980)

**Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
Sage Southeastern Securities, Inc.	Registered Representative	2010-Present
Reliance Securities, LLC	FINOP	2007-Present
Dover Holdings, LLC	President	1994-Present
Nexity Financial Services, Inc.	FINOP	2007-2009
Jones, Byrd & Attkisson, Inc.	FINOP	2006-2008
Infinex Investments, Inc.	Regional Director	2006-2007

Mr. Lankford consults for and is a Manager at Dover Holdings, LLC. He spends up to 20 hours per week on these activities.

Mr. Johnson, Mr. Lankford and the Advisors of Sage are not compensated with performance based fees. There are no disciplinary proceedings against Mr. Johnson or Mr. Lankford that would require disclosure. Mr. Johnson and Mr. Lankford have no other relationship or arrangement with any issuer of securities.

**Privacy Policy**

Protecting your privacy is important to Sage Southeastern and Sage Capital Holdings. We want you to understand what information we collect and how we use it. In order to provide our customers with a broad range of financial products and services as effectively and conveniently as possible, we use technology to manage and maintain customer information. The following policy serves as a standard for all SAGE employees for collection, use, retention and security of nonpublic personal information.

**WHAT INFORMATION WE COLLECT:** We may collect “nonpublic personal information” about you from the following sources:

- Information we receive from you on applications or other account forms, including electronic communications;
- Information about your transactions with us, our affiliates or others; and
- Information we receive from third parties.

“Nonpublic personal information” is information about you that we obtain in connection with providing a financial product or service to you. For example, nonpublic personal information includes information regarding your account balance, assets and securities transactions.

**WHAT INFORMATION WE DISCLOSE:** As permitted under law, we may share information about you with companies related to us by common control or ownership (“affiliates”). This could include information about our experiences or transactions with you or your account (such as your account balance and your transaction activity) and additional information about you or your account (such as information we receive from you in applications and information from consumer reporting agencies).



We also are permitted under law to disclose nonpublic personal information about you to “nonaffiliated third parties” (i.e., third parties that are not members of our corporate family) in certain circumstances. For example, we may disclose nonpublic personal information about you to such third parties to assist us in servicing your account with us; to government regulators; in response to subpoenas; and to consumer reporting agencies. We do not disclose any nonpublic personal information about you to any other third parties, except as authorized by you. If you decide to close your account(s) or become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice. If our representative servicing your account leaves us to join another firm, he/she is permitted to retain copies of your information so that he or she can assist with the transfer of your account and continue to serve you at their new firm.

**“OPTING-OUT” OF THIRD PARTY DISCLOSURES:** If you do not want your account representative to retain copies of your client sensitive information when he or she leaves us to join another firm, you may contact our Compliance Department by calling (404) 262-9283.

**OUR SECURITY PROCEDURES:** We also take steps to safeguard customer information. We restrict access to your personal and account information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.