

# Sensible Investments, Inc.

## Disclosure Brochure

**Sensible Investments, Inc.**

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### **1) Introduction:**

Sensible Investments, Inc. provides personalized investment advisory services to individuals. What differentiates investment advisory firms is how a company interprets information.

Sensible Investments believes its' structure provides an advantage over larger advisors: we have no professional relationships with other firms, no securities inventories to sell, or an impeding organizational structure that influences decision-making.

Sensible Investments emphasizes client-oriented portfolio management through a professional partnership with our clients. We contact clients on a weekly basis, either through on-line correspondence or phone conversations. In addition, we provide quarterly portfolio reviews.

### **2) Sensible Investments and its Services:**

Sensible Investments, Inc. is an SEC registered and independent investment advisory firm incorporated in the State of Washington. Sensible Investments provides investment advisory services for individuals. Client accounts may structurally vary: single or joint, custodial, trusts, and retirement plans (IRA, SEP, 401k).

Services rendered include investment supervisory services (portfolio management) and occasionally short-term investment counseling. Our goal is to provide investment consulting while attempting to maximize short and long-term returns, and to provide unbiased financial advice and financial education.

Sensible Investments customizes its investment strategy according to our client's needs. We identify each client's unique requirements, reflecting specific goals and risk tolerance. Sensible Investments' investment advisor then devises an appropriate investment plan, attempting to maximize return and minimize risk.

### **3) Fee Schedule:**

Sensible Investments provides value-added service for a reasonable cost. We realize the financial services industry is becoming increasingly competitive, and we recognize this trend through our fee schedule.

Sensible Investment's annual fee schedule: 0.5% of asset value for the first \$1,000,000, and 0.10% of asset value exceeding \$1,000,000. For example, a client with assets of \$500,000 would pay \$2,500 in annual fees. The minimum annual fee is \$650.

Fees are billed and due quarterly, reflecting asset value on the last business day of each calendar quarter. For example, \$500,000 in assets has a corresponding quarterly fee of \$625.

We receive no additional compensation: no commissions, referral fees, contract incentives, or bonuses of any kind.

### **4) Investment Types:**

The goals and needs of Sensible Investments' clients influence our investment strategy. We invest according to their risk/return profile. Sensible Investments emphasizes equity securities, exchange-traded

funds (ETFs) and mutual funds. We also invest in fixed-income securities, including: corporate debt securities, certificates of deposit (CDs), municipal securities, and United States government securities.

## **5) Methods of Analysis, Sources of Information, and Investment Strategies:**

Fundamental analysis is Sensible Investments' dominant method of analysis. Fundamental analysis involves study of historical and estimated financial data.

Sensible Investments' sources of information include, but are not limited to:

- Proprietary research provided by Charles Schwab & Co., Inc.
- Charles Schwab's 3<sup>rd</sup>-party resources, including: Morningstar, Credit Suisse, Argus Research, and Ned Davis.
- Internet-based financial and investing sites, including: YAHOO! Finance, Seeking Alpha, InvestorPlace, MarketWatch IPO Center, and Prohost Biotechnology.
- Digital sources, magazines, and newspapers, including: The Wall Street Journal, Barron's, Value Line, Fortune, Forbes, Money, and Kiplinger's.
- SEC filings by companies, ETFs, and mutual funds, including annual reports and prospectuses.

Sensible Investments' investment strategy emphasizes short and long-term purchases (dependent on the client, investment, and agreed upon investment plan). The investment advisor, John Sensenbrenner, develops unique individual investment plans, which could include stocks, bonds, ETF's, mutual funds, or be a short-term trading strategy.

## **6) Account Reviews and Frequency of Client Reports:**

There are three forms of account review and quarterly account reports:

- Internal weekly account reviews, where the investment advisor reviews positions, performance, and considers the client's goals and needs. Our portfolio management software provides the ability to review accounts on a daily basis and to provide analytical reports as needed or as requested by a client.
- Quarterly account reviews and reports: we send quarterly reviews, providing economic, market, and portfolio analysis, and our internal portfolio reports. In addition, the client receives either monthly or quarterly statements from their account custodian (e.g., Charles Schwab).
- Client account meetings. Face-to-face or phone-based meetings are determined by each client's needs and preference.

## **7) Authority to determine Broker/dealer without client consent:**

Sensible Investments determines the broker/dealer (custodian) for customer transactions and assets, unless a client requests a specific company. Our current preferred custodian is Charles Schwab & Co., Inc.

## **9) Participation or interest in Client Transactions:**

Sensible Investments' investment advisor buys and sells securities for his family's personal accounts, and may buy and/or sell securities recommended to clients. As a result, Sensible Investments tracks trading activity through SEC required documentation.

Sensible Investments' investment advisor is responsible for ethical investment advising, recommending securities appropriate for a client's needs, not based on personal holdings, while self-monitoring the firm's investment process.

Sensible Investments officers fully disclose any possible conflict of interest before entering into investment contracts.

## **10) Sensible Investments' Officers Education and Experience:**

John Sensenbrenner: Co-President and Secretary, since 1995.

*Education:* BA from Duke University, 1984; MBA in General Management from the University of Washington, 1994.

*Certification:* National Association of Securities Dealers (NASD) Series 24 (General Securities Principal) and Series 65 (Investment Adviser Law Exam).

Martha Gambee Sensenbrenner: Co-President and Treasurer, since 1995.

*Education:* BA from Creighton University, 1980.

*Certification:* Certified Public Accountant (CPA), 1980, but currently inactive.

## **12) Financial Industry Affiliations:**

Sensible Investments has no affiliations within the financial industry. We are able to make investment decisions without the undue influence of other sources. As a result, we tailor accounts to our client's needs, without the requirements mandated by a company or sales arrangement.