

Sensible Investments, Inc.
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Disclosure Brochure

08/28/2015

1) Cover Page:

This brochure provides information about the qualifications and business practices of Sensible Investments, Inc. Please contact us if you have any questions: 206-228-9753 or sensibleinvestments@comcast.net.

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. Sensible Investments, Inc. is a registered investment advisor (RIA), but registration does not imply a certain level of training or skills.

2) Material Changes:

This brochure contains changes from the 05/05/2015 brochure filing as follows:
The Disclosure Brochure has been expanded to reflect the SEC's uniform requirements for an Investment Adviser's Brochure.

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4) Advisory Business:

- a. Sensible Investments, Inc. is an SEC registered and independent investment advisory firm, founded in 1994. The firm provides independent personalized investment advisory services to individuals. Principal owners are John S. Sensenbrenner and Martha G. Sensenbrenner.
- b. Sensible Investments, Inc. provides independent investment advice to individuals with equities and fixed-income, using individual securities, bonds, certificates of deposit and cash, as well as mutual funds and exchange-traded funds (ETF's).
- c. Sensible Investments, Inc. works with clients to develop individualized portfolios, based on the client's objectives, needs, risk tolerance, tax situations and type of account. Clients may impose restrictions on investing in specific securities or types of securities.
- d. Sensible Investments, Inc. does not participate in wrap fee programs.
- e. As of July 31, 2015, Sensible Investments, Inc. manages approximately \$240 million in assets on a discretionary basis.

5) Fees and Compensation:

- a. Sensible Investments, Inc. bills fees quarterly to clients, based on the client's account asset value on the last business day of each calendar quarter.

Sensible Investment, Inc.'s annual fee schedule:

Up to \$1,000,000	0.50%
\$1,000,001 and more	0.10%
Minimum Annual Fee	\$650.00

- b. Sensible Investment, Inc.'s clients can select a quarterly billing method. Either the client requests the account custodian pay the fees directly to Sensible Investments, Inc. upon receipt of the quarterly billing, or the fees are paid by the client directly to Sensible Investments, Inc. upon receipt of the mailed invoice. Fees may only be deducted from client accounts if a client authorizes the service directly through the account custodian.
- c. Custodians may charge other fees to clients including mutual fund or ETF management fees, commissions or fees on purchases and sales of securities, and custodial fees. These fees are charged directly to clients by the custodian and are in addition to Sensible Investments, Inc. fees. Sensible Investments, Inc. does not receive any portion of these fees.
- d. Sensible Investments, Inc. does not bill or collect fees in advance.
- e. Sensible Investments, Inc. receives no compensation for the sale of securities or other investment products.

6) Performance-Based Fees and Side-By-Side Management:

Sensible Investments, Inc. does not charge any performance-based fees to its clients.

7) Types of Clients:

Sensible Investments, Inc. provides independent investment advice and portfolio management services to individuals with various accounts: brokerage accounts, trusts accounts, and retirement accounts. Sensible Investments, Inc. requires no minimum asset values for opening or maintaining an account.

8) Methods of Analysis, Investment Strategies, and Risk of Loss:

- a. Sensible Investments, Inc.'s primary method of analysis is the qualitative and quantitative fundamental analysis method. Fundamental analysis is the study of historical and estimated financial data which considers financial statements, management, markets and competition, and the economy. Occasionally Sensible Investments, Inc. waives fundamental analysis to purchase stocks of companies with limited revenues or net income.

Sensible Investments, Inc.'s primary investment strategy is derived from the modern portfolio theory, emphasizing asset diversification of an account. Investment plans are developed based on client objectives, needs, risk tolerance, tax situations and other factors a client may have. Sensible Investments, Inc. does not use model portfolios. Investment advice may include a range of investment products, such as equities, bonds, mutual funds, money market instruments, fixed income and cash, from a variety of sectors and industries.

Investing in securities, regardless of the method of analysis or investment strategies, involves the risk of loss that all clients must be prepared to bear. Sensible Investments, Inc. does not guarantee a positive return on investment, and past performance does not guarantee future results.

- b. All methods of analysis and investment strategy present risks. For fundamental analysis potential risks of unexpected changes in the economy or market conditions could make forecasts inaccurate, incomplete or invalid. There is also the potential risk that a stock or mutual fund may not perform and lose value.

Investment risks include, but are not limited to, loss of principle, loss of return, loss of value, tax penalties and losing money. Risks are subject to macro-economic changes, operational issues, competitive trends, and international and domestic factors. There are also risks with stocks of companies with limited revenues or income. If a company's product or service succeeds, the stock could provide above-average capital appreciation, if not, there could be a loss of investment. Frequent buying and selling of equities can also affect investment performance. Buying at the top of the market and selling too early could result in missing future gains and increase custodian fees.

- c. As of 7/31/2015, common stocks comprise approximately 80.5% of our clients' assets.

9) Disciplinary Information:

Sensible Investments, Inc. is required to disclose all material legal or disciplinary events that would be material to a client's or prospective client's evaluation of Sensible Investments, Inc.

or the integrity of Sensible Investments, Inc. or its' management. Sensible Investments, Inc. has no to disclosures to report at this time for this requirement.

10) Other Financial Industry Activities and Affiliations:

Sensible Investments, Inc. has no other financial industry activities or affiliations.

11) Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading:

- a. Sensible Investments, Inc. maintains a Code of Ethics which provides a standard of conduct, both for internal operations and for the fiduciary responsibility to clients. Sensible Investments, Inc.'s Code of Ethics includes, among other things, the confidentiality of client information and officer security trading procedures. Clients may request a copy of Sensible Investments, Inc.'s Code of Ethics at any time.
- b. Sensible Investments, Inc. does not buy or sell securities to or from clients; does not solicit client investments for investment partnerships; and does not recommend investment companies to clients.
- c. Sensible Investments, Inc.'s officers may have a material financial interest in securities recommended to or invested in for clients. The Sensible Investments, Inc. Code of Ethics is designated to insure any officer transactions do not interfere with the interest of clients. Officer's trading is monitored under the Code of Ethics to prevent a conflict of interest between Sensible Investments, Inc. and clients.
- d. Sensible Investments, Inc. may buy or sell securities held by its officers and clients on or near the same day. When buying or selling client securities, Sensible Investments, Inc. has two strategies in place to avoid a trading-based conflict of interest: client securities and Sensible Investments, Inc.'s officer securities are purchased and sold in two separate master accounts, preferably on different days (buying or selling for clients on one day and Sensible Investments, Inc.'s officer's accounts on another day); or, if the same security is purchased or sold on the same day for clients and Sensible Investments, Inc.'s officer's , Sensible Investments, Inc. attempts to have officer's purchases incur the higher cost basis, and officer's sales incur the lower sale price.

12) Brokerage Practices:

- a. Sensible Investments, Inc. uses Charles Schwab & Co., Inc. as the primary custodian of client assets. The following factors are considered when selecting a broker-dealer for clients: ease, speed, and accuracy of trade execution; reasonable fund fees and stock commission costs; availability and diversity of products; and, quality and timeliness of services provided to manage and service accounts.
 - i. Sensible Investments, Inc. receives proprietary and 3rd party research from Charles Schwab, but does not receive any research in connection with client transactions. Sensible Investments, Inc. receives no soft dollar benefits.
 - ii. Charles Schwab provides no client referrals to Sensible Investments, Inc.
 - iii. Sensible Investments, Inc. does not allow directed brokerage.

- b. Sensible Investments, Inc. aggregates purchases and sales of securities for client accounts when beneficial to clients. Aggregation allows Sensible Investments, Inc. to execute transactions efficiently, equitably and in a timely manner, and allows for cost-averaging of securities purchased and sold multiple times during a day. Sensible Investments, Inc. also buys and sells securities directly in individual client accounts.

13) Review of Accounts:

- a. Sensible Investments, Inc. reviews client accounts regularly to assure client needs and objectives are being met. Client accounts, in most cases are reviewed weekly. Client accounts are reviewed by the Sensible Investments, Inc. portfolio manager, John Sensenbrenner. Purchases and sales of investment vehicles in client accounts are based on portfolio reviews.
- b. Sensible Investments, Inc. may perform more frequent client account reviews as economic, market, or account-specific issues change or other variables warrant it.
- c. Written quarterly client account reports are sent by Sensible Investments, Inc. to clients. The reports include account statements, a letter that reviews the quarter and the client account, and a Sensible Investments, Inc. billing statement. The client's letter of review may contain general thoughts on market conditions, the economy and trends, as well as other company reports. The account custodian also sends quarterly account statements directly to all clients.

14) Client Referrals and Other Compensation:

- a. Sensible Investments, Inc. receives no economic benefit from outside sources as a result of providing investment advice to our clients.
- b. Sensible Investments, Inc. provides no direct or indirect compensation to anyone for client referrals.

15) Custody:

Sensible Investments, Inc. has no custody of client assets. The qualified custodians used by Sensible Investments, Inc. are Charles Schwab & Co., Inc. and Associated Bank. Custodians send monthly and/or quarterly statements directly to clients. As mentioned in item 13c, Sensible Investments, Inc. also sends quarterly statements to clients. Sensible Investments, Inc. recommends clients review and compare both statements to assure accuracy.

16) Investment Discretion:

Sensible Investments, Inc. is given discretionary authority, through Sensible Investments, Inc. client contractual agreements, to select the identity and amount of securities to be purchased and sold. Client contracts are written and signed by both Sensible Investments, Inc. and the client.

17) Voting Client Securities:

- a. Sensible Investments, Inc. has the authority with some clients to vote client securities. Authority is client designated through the qualified custodian account application. The client may direct Sensible Investments, Inc. to: appoint the IA (e.g., Sensible Investments) to make voting decisions and receive all other issue-related information; or, retain voting

decision and receive all other issue-related information. SEC Rule 206(4)-6 requires Sensible Investments, Inc. to: vote in the best interests of the client, retain proxy voting records, and upon request, provide clients with information regarding proxy voting policies, procedures and/or our voting record.

- b. Some Sensible Investments, Inc. clients retain voting authority and elect to have informational copies of proxies and other correspondence sent directly from the custodian to Sensible Investments, Inc. Clients receive proxies and other information directly from the custodian. Sensible Investments, Inc. does not proxy vote or keep proxy voting records for these clients.

18) Financial Information:

Sensible Investments, Inc. does not require or solicit prepayment of fees in advance. Sensible Investments, Inc. has not been subject to a bankruptcy petition during the past ten years.

19) ADV 2B “Brochure Supplement”:

- a. Investment Advisor Education and Experience:
 - i. John Sensenbrenner: Co-President, Secretary, and Investment Advisor, since 1995. John has a BA from Duke University (1984) and an MBA from the University of Washington (1994). Certification includes the National Association of Securities Dealers (NASD) Series 24 (General Securities Principal) and Series 65 (Investment Advisor Law Exam). John has no outside business activities, receives no additional compensation, and has faced no disciplinary actions.