

Item 1: Cover Page

Registered Investment Advisor Disclosure Brochure

Form ADV Part 2A

March 22, 2020

Sanctuary Wealth Management, LLC
275 South 5th Ave Suite 151
Pocatello, Idaho 83201
208-233-0080
www.sanctuarywealth.net

This brochure provides information about the qualifications and business practices of Sanctuary Wealth Management, LLC. If you have any questions about the contents of this brochure or to request a brochure, please contact us at 208-233-0080 and/or info@sanctuarywealth.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.

Sanctuary Wealth Management is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Sanctuary Wealth Management is also available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Sanctuary Wealth Management is 148779.

Item 2: Material Changes

Our advisory representatives are no longer registered representatives of a broker-dealer. This is our only material change since our last filing of March 2019.

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Item 4: Advisory Business

Sanctuary Wealth Management LLC (“Sanctuary”, “we”, “us”) was founded in 2004 as an Idaho Limited Liability Company.

Sanctuary is owned by Washington Financial, LLC, Pintail Management LLC, and Centerpoint Capital Advisors LLC, which are owned by Brett Robison, G. Clay Esplin, and Joel Phillips respectively.

We provide the following advisory services:

Financial Planning: Our process starts with a comprehensive interview to determine our clients’ financial objectives, limitations, and timeframe. We gather related information from our clients, such as account statements, balance sheets and income statements, tax returns, Client provided verbal account information, and copies of estate planning documents. Based on the interview and compiled information, we formulate a long-term plan appropriate for the client’s situation and the goals they are trying to achieve. This plan evolves and is updated over time as personal events such as birth, death, divorce, retirement, and other events change or impact their financial plan. In the provision of this service, we may use an unaffiliated third party to assist us with the creation of the plan. Unaffiliated third parties will be paid by Sanctuary at an hourly rate which does not change the amount paid by clients to us for this service.

Investment Management: Based on the formulation of a client’s financial plan (whether the plan was created by us or another firm), we will manage the client’s portfolio of investment securities according to an Investment Policy Statement adopted by the client. A more in-depth discussion of our investment philosophy can be found in *Item 8: Methods of Analysis, Investment Strategies and Risk of Loss* of this ADV. We typically allocate a client’s investment holdings across a globally diversified portfolio of equities, bonds, real estate, commodities, and cash, primarily using mutual funds or exchange traded funds to help them meet their financial goals. We will then periodically review the client’s portfolio, compare it against the objectives and requirements of the client’s current Investment Policy Statement, and make recommendations to the client as changes are needed.

Wealth Management: As our client’s financial affairs become more complex, we will coordinate with the client’s other professional advisors, such as their accountant, attorney, banker, or insurance agent to help create a team approach to the client’s financial plan and help to work in unison with that team for the client’s benefit. Our wealth management services are highly-tailored and customized to each client.

Employee Retirement Plan Consulting: For our business-owning clients seeking to provide a corporate retirement plan for their employees, we provide advisory services to help them establish a corporate retirement plan, enroll eligible employees, advise the employees on available investments and allocations within the plan, and provide reporting services. Most of these services are arranged through various third-party administrators and may be provided separately or in combination.

We encourage broad-based diversification across thousands of different securities within a client’s portfolio by way of using indexed mutual funds, exchange traded funds, or other investment products.

Clients may impose reasonable restrictions on investing in certain securities or types of securities. We do not sponsor a wrap fee program.

We may, without the Client's further consent, delegate any or all of our responsibilities to one or more affiliated or unaffiliated advisors on such terms as we may determine.

As of December 31, 2019 we have approximately \$168,703,486 million of discretionary assets under management.

Item 5: Fees and Compensation

We are compensated for our advisory services by charging a percentage of assets under management according to the asset value in each account on the last day of the previous quarter. The asset value is the fair market value of the securities listed by the custodian. If there are trades which have been placed but not yet settled, billing will be based on the value of pending trades which have not yet settled. Fees are to be paid on a quarterly basis billed in arrears and calculated according to the following Advisory Fee Schedule:

| Value of All Managed Accounts with Firm | Per Quarter | Annualized |
|---|-------------|------------|
| First \$500,000 | 0.3750% | 1.50% |
| Next \$500,000 (\$500,001 to \$1,000,000) | 0.3125% | 1.25% |
| Next \$1 million (\$1,000,001 to \$2,000,000) | 0.2500% | 1.00% |
| Next \$3 million (\$2,000,001 to \$5,000,000) | 0.1875% | 0.75% |
| Amounts over \$5 million | 0.1250% | 0.50% |

As authorized in writing, we may directly debit our fees from any managed account maintained at a qualified custodian provided the client receives at least quarterly statements from the custodian reflecting all debits from the account. Sanctuary may permit negotiated fees in certain circumstances.

All fees paid to Sanctuary for investment advisory services are separate and distinct from the expenses charged to the client in connection with any transaction to purchase or sell an investment, or any expense directly associated with management of the portfolio. Clients may incur brokerage and other transaction costs, which are further explained in *Item 12: Brokerage Practices* of this ADV. Furthermore, *Item 10: Other Financial Industry Activities and Affiliations* of this ADV details other compensation earned by Principals or other representatives of our firm.

We do not charge our fees in advance of services provided.

Item 6: Performance-Based Fee and Side-By-Side Management

We do not charge performance-based or side-by-side management fees.

Item 7: Types of Clients

We typically provide advisory services to individuals, trusts and estates, corporations or business entities, and pension and profit-sharing plans. For individuals, we generally require a minimum aggregated portfolio size of \$1,000,000, or a minimum annual fee of \$10,000 for wealth management services. We require a minimum aggregated portfolio size of \$100,000 for investment management services. For trusts and estates, corporations and business entities, or pension and profit-sharing plans, we generally require a minimum portfolio size of \$50,000. Exceptions to these account sizes and minimum fees may occasionally be made at our discretion.

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

Investing in securities involves risk of loss that clients should be prepared to bear.

In formulating our investment advice, we use various tools and resources including commercially available software technology, securities rating services, general market and financial information, and due diligence reviews. The principal sources of information include major financial publications and resource tools, security analysis and benchmarking software, prospectuses, and various financial and business resources including filings with the Securities and Exchange Commission. The main risk associated with our methods of security analysis is the potential for reliance on inaccurate information, or the misinterpretation of accurate information.

Our primary investment strategy is a long-term, broad-based allocation of an investor's portfolio across globally diversified asset classes, including equities, bonds, real estate, commodities, and cash. We typically do not invest in individual securities, but rather through diversified, index-based open end mutual funds, and exchange traded funds. We believe this strategy minimizes an investor's exposure to individual securities and increases an investor's exposure to the broader global economy.

We develop diversified portfolios, primarily through the use of less actively managed, asset class mutual funds (both open end and exchange traded funds) that are available generally to institutional investors and clients of a network of carefully selected advisors and separate account managers who follow a disciplined asset allocation investment approach. We will give you the option of having your account reconstituted based on a moving average strategy as described below.

We offer clients the option of implementing stops on our traditional buy and hold strategy. Monies will be allocated using the allocation referenced on page two of this document or the updated allocation that we have authorized our representative to follow. Client acknowledges that using this strategy may cause allocation percentages to shift dramatically from time to time and will not prevent negative returns. This strategy may also trigger short or long-term gains or losses as securities are sold. All Non- Model Holdings will be excluded from this trading model unless otherwise designated in writing by the client.

We offer an absolute momentum strategy in which money is divided into up to seven different ETF or mutual fund categories; US Equities, International Equities, Emerging Markets, Long term government treasuries, Real Estate, Real Estate Debt, and High yield bonds. If momentum is deemed positive, the client authorizes the representative(s) to allocate funds to the category. When the price falls below the twelve-month simple moving average, minus 2%, momentum is deemed to be negative. In such cases, the client authorizes the representative(s) to allocate funds into Cash Equivalents/Short-Term Corporate Bonds. The Client acknowledges that using this strategy may cause allocation percentages to shift dramatically from time to time and will not prevent negative returns. This strategy may also trigger short or long-term gains or losses as securities are sold. All Non-Model Holdings will be excluded from this trading model unless otherwise designated in writing by the client.

The main risks associated with our core investment strategy are:

- *Market Risk.* Market risk refers to the day-to-day volatility and fluctuations of a security's price. Investors will always experience market risk as long as they are participating in public capital markets. If you are not participating in public capital markets, you run the risk of the market outperforming your account.
- *Systematic risk.* Similar to *market* risk, systematic risk refers to an event that would affect most all public capital markets system-wide, such as a significant political or terrorist event. *Systematic risk* can almost never be diversified away.
- *Unsystematic risk.* Unsystematic risk refers to events that would affect only a certain portion of the capital markets, such as a supply disruption within one sector, or the report of fraudulent activity within one specific company. This risk can be diversified away by investing across a broad-spectrum of available asset classes and companies.
- *Credit risk:* Credit risk refers to the ability of a government or corporation to repay its contractual obligations to bond-holders. Because we invest in bonds of government and corporate entities, we are subject to this risk. However, we allocate our holdings across many entities, term lengths, and bond funds to mitigate this risk.
- *Country/political risk.* Investing in developing countries carries risk that a country's government may not be able to honor its financial commitments or protect the property rights of investors within that country. Governments may also suddenly change their policies, which could impact an investors' holdings within that country.
- *Foreign-exchange/currency risk.* Because we hold investments in international companies, we have an exposure to currency risk. Changes in the exchange rate of global currencies will impact the value of our investment holdings.
- *Interest-rate risk.* Bond valuations are dependent on relative interest rates often set by governmental bodies. Changes in government interest rates may impact the value of investors' bond holdings.

Even a long-term approach cannot guarantee a profit. Clients are cautioned that past performance does not guarantee future results. Economic, political, and issuer specific events will cause the value of the securities, and the mutual funds that own them to rise or fall. Because the value of the investment in the

portfolio will fluctuate, there is the risk that the investor will lose money. Mutual funds face risks based on the investments they hold.

We generally favor funds with lower turnover and lower operating expenses.

Item 9: Disciplinary Information

We are required to disclose any material legal or disciplinary events of our advisory business. We do not have any material legal or disciplinary events.

Item 10: Other Financial Industry Activities and Affiliations

Several of our advisors are also separately licensed as insurance agents or brokers for one or more insurance companies. In these capacities, these individuals will be able to purchase insurance and insurance-related investment products for clients, for which they will receive separate, yet customary compensation, which may create a conflict-of-interest.

To mitigate this potential conflict-of-interest, no person of Sanctuary will act as agent-of-record on any advisory client account. In addition, clients are under no obligation to engage these individuals when considering implementation of advisory recommendations. Clients may have the option to purchase recommended insurance products through other non-affiliated broker or agents, and the implementation of any or all insurance recommendations is solely at the discretion of the client.

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

Sanctuary or individuals associated with Sanctuary may buy or sell securities identical to or different from those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security which may also be recommended to a client.

Capital Partners Group, LLLP and Community Capital Partners LLLP are owned by Brett Robison, Clay Esplin and Joel Phillips. The purpose of these entities is to invest in land development. Capital Partners Group LLLP is not open to additional investors, but Community Capital Partners LLLP will offer properties as a Reg D offering to fewer than 30 investors, which may include clients. Clients are under no obligation to invest with Community Capital Partners LLLP but should be advised that a conflict of interest exists should they choose to do so. Investors are also provided with a written conflict of interest disclosure at the time of investment.

As these situations present conflicts of interest, Sanctuary has adopted a Code of Ethics which sets forth high ethical standards of business conduct that is required of all of its employees, including compliance with applicable federal securities laws. Sanctuary's Code of Ethics includes policies and procedures that all access person's quarterly securities transactions reports and initial and annual securities holdings reports must be submitted to the Chief Compliance Officer for review. Sanctuary's Code of Ethics prohibits

access persons from acquiring any securities in an initial public offering, and access persons are required to receive written approval prior to any acquisition of securities in a limited offering. Sanctuary's Code provides for oversight, enforcement, and recordkeeping provisions. A copy of Sanctuary's Code of Ethics is available to Sanctuary's advisory clients or prospective clients upon request to the Chief Compliance Officer at Sanctuary's principal office address.

Item 12: Brokerage Practices

Clients will establish an account at a broker for execution of securities transactions and custodial services. Sanctuary may in various circumstances decide to utilize or recommend the use of Charles Schwab and/or TD Ameritrade, national discount brokerage firms, as broker and custodian.

Sanctuary participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Incorporated, member FINRA/SIPC, an unaffiliated SEC registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, and clearance and settlement of transactions. Sanctuary receives some benefits from TD Ameritrade through participation in the program, including discounts on portfolio management software used in serving all clients, regardless of the client's amount of assets at TD Ameritrade.

Sanctuary may require clients to maintain accounts at TD Ameritrade or recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Sanctuary's participation in the institutional customer program and investment advice it gives to clients, although Sanctuary receives economic benefits through participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services provided without cost or at a discount: duplicate client statements and confirmations; research related products and tools; consulting services; access to trading desk serving advisor participants; access to block trading; the ability to have advisory fees deducted directly from clients' accounts; access to electronic indications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, practice management products or services provided to Sanctuary by third-party vendors.

Sanctuary participates in the Schwab Institutional Services Program offered to independent investment advisers by Charles Schwab & Company Inc., a FINRA registered broker-dealer. As part of the Schwab Institutional Services Program, Sanctuary receives benefits that it would not receive if it did not offer investment advice, such as access to no-load mutual funds as well as individual securities at discounted transaction costs. This arrangement allows the client to have access to mutual funds at a generally lower cost and permits the client's investments to be maintained in one location (minimizing administrative burdens for the client and the advisor). We believe Charles Schwab's and TD Ameritrade's transaction costs are very competitive; however, the client may pay more or less with other brokerage firms.

In light of the services available through Charles Schwab and TD Ameritrade, Sanctuary might in certain circumstances be deemed to be receiving a benefit (soft-dollar benefits) in the form of research, market

information, and more administrative services. When appropriate, research obtained from Charles Schwab and TD Ameritrade may be used to service all of Sanctuary's clients. The client is free to select the broker or other service provider of his or her choosing. While the firm believes the service providers used by the firm provide benefits to the client, each client is expressly advised to evaluate any recommended broker or other service provider to ensure that the broker or service provider meets the client's needs and to evaluate the rates for charges so that they are acceptable to the client.

Sanctuary may retain an independent third-party account administrator (LWI Financial Inc. or "LWIF") that performs certain services such as account administration, portfolio allocation analysis, asset-class investment strategy, back-office fulfillment, report and statement production, and fee debiting. Such services are paid directly through advisory fees billed to the client or are indirectly paid by Sanctuary. LWIF is an investment adviser registered with the Securities and Exchange Commission.

LWIF may also sponsor educational seminars for the benefit of Sanctuary and its clients. Such educational seminars provide Sanctuary with access to information and ideas regarding practice development, client servicing, investment strategy, relationship management and financial planning. Attendance expenses associated with such educational seminars may be paid or reimbursed, either in whole or in part, by LWIF.

Sanctuary may recommend, where appropriate, that the client invest in shares of the SA Funds – Investment Trust (the "SA Funds"), a family of nine asset class mutual funds advised, managed and administrated by LWIF. Fees are not charged directly upon investments in the SA Funds. LWIF receives certain fees and expenses directly from the SA Funds for its services as disclosed in that Fund's prospectus.

Sanctuary may execute transactions through a broker-dealer, Loring Ward Securities Inc. ("LWSI"), that is affiliated and under common ownership with LWIF. LWSI is a securities broker-dealer and a member of the Financial Industry Regulatory Authority ("FINRA") that introduces all transactions to its correspondent clearing firm, Pershing LLC, on a fully-disclosed basis. Sanctuary or the client may incur additional brokerage commissions, ticket charges or other similar expenses that are collected by LWSI, or another broker-dealer and/or custodian of record.

We may engage in block trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a block trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given block were executed. Executing a block trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner.

Block trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for nondiscretionary client accounts are not blocked with transactions for discretionary client accounts. Transactions for the accounts of our employees and Financial Professionals are allowed to be included in block trades. They receive the same average price and pay the same commissions and other transaction costs as clients. Transactions for the accounts of our Financial Professionals or employees will not be favored over transactions for client accounts. We are not obligated to include any client account in a block

trade. Block trades will not be placed for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

Item 13: Review of Accounts

At a minimum, we periodically review our wealth management accounts quarterly, our investment management accounts bi-annually, and our employee-retirement accounts annually. We may review these accounts more frequently under abnormal market conditions, changes in the client's goals and objectives, tax law changes, or any other specific request from the client. The purpose of periodic account reviews is to assess whether the portfolio is meeting the client's objectives, or if changes need to be made. These reviews are completed by the investment adviser assigned to the account, as well as random reviews completed by the Chief Compliance Officer.

The client will receive reports at least quarterly from the custodian where their funds are held or more often if there is activity within the account. Additionally, we may provide quarterly reports from our office summarizing account holdings and portfolio allocations. In the case of discrepancy between the custodian's reports and ours, the custodian's reports shall be deemed correct.

Item 14: Client Referrals and Other Compensation

As disclosed under Item 12 above, Sanctuary participates in TD Ameritrade's Institutional customer program and Sanctuary may require clients to maintain accounts at TD Ameritrade or recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Sanctuary's participation in the program and investment advice it gives to clients, although Sanctuary receives economic benefits through participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services provided without cost or at a discount: duplicate client statements and confirmations; research related products and tools; consulting services; access to trading desk serving advisor participants; access to block trading; the ability to have advisory fees deducted directly from clients' accounts; access to electronic indications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, practice management products or services provided to Sanctuary by third-party vendors.

TD Ameritrade may have also paid for business consulting and professional services received by Sanctuary's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Sanctuary but may not benefit its Client accounts. These products or services may assist Sanctuary in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help the Advisor manage and further develop its business enterprise. The benefits received by Sanctuary or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Sanctuary endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by

Sanctuary or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Sanctuary's choice of TD Ameritrade for custody and brokerage services.

Sanctuary also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. TD Ameritrade provides the Additional Services to Sanctuary in its sole discretion and at its own expense, and the Advisor does not pay any fees to TD Ameritrade for the Additional Services. The Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

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

Item 15: Custody

We do not custody our clients' assets. All client accounts will be held at separate, qualified custodians, who will provide statements in addition to the statements we provide. Clients are strongly encouraged to compare statements received from us with the statements the custodian provides. In the case of discrepancy between the custodian's reports and ours, the custodian's reports shall be deemed correct.

Item 16: Investment Discretion

In order to authorize us to have discretion, clients must give us this authority through signing our account agreement with this clause included. Our discretionary authority is limited to choosing the securities to purchase or sell and the quantities to purchase or sell.

Item 17: Voting Client Securities

We do not vote proxies on behalf of advisory clients. Clients have the responsibility for receiving and voting proxies, however, we may provide advice to clients regarding the clients' voting of proxies. Clients will receive proxies and other solicitations directly from the custodian or transfer agent.

Item 18: Financial Information

We do not require or solicit prepayment of more than \$600 in fees per client, six months or more in advance. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients. Neither our firm nor any of its principals have been the subject of a bankruptcy proceeding.