



## **Part 2A of Form ADV Disclosure Brochure**

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**Updated: March 16, 2023**

This brochure provides information about the qualifications and business practices of Sage Financial Management Group, Inc. doing business as SAGEVEST WEALTH MANAGEMENT. If you have any questions about the contents of this brochure, please contact us at (703) 992-7650 or by email at [info@sagevestwealth.com](mailto:info@sagevestwealth.com). 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.

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

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## **Item 2 - Material Changes**

SageVest's most recent update to Part 2 of Form ADV (Disclosure Brochure) includes the following material changes:

None.

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## **Item 4 - Advisory Business**

### **Firm Overview**

Sage Financial Management Group, Inc. doing business as SageVest Wealth Management (SageVest) is an investment management and financial advisory firm. SageVest works with individuals, families, trusts, charitable accounts and other entities. Clients who work with SageVest are typically seeking an advisor who knows each client well, approaches each relationship on an individual basis, and who helps to coordinate a host of financial considerations on a comprehensive basis, rendering true wealth management services.

SageVest is an SEC-registered investment advisor. Jennifer Myers, the principal owner of SageVest, holds close to two decades of experience in the investment management and financial industry. She established SageVest on May 15, 2007 in response to the expanding need for quality, fee-only financial advisory services.

SageVest operates as an independent, fee-only advisory firm to ensure that client interests are always placed at the helm of our decision making. Our client-centric approach allows us to deliver these services on an individualized basis, making sure that we tailor recommendations to each client's unique needs, goals and objectives. SageVest is committed to maintaining rigor and diligence with respect to our integrated recommendations, our follow-through on implementation, and our attention to ongoing oversight responsibilities.

### **Investment Management Services**

SageVest is a multi-asset class manager with diversified investment holdings primarily consisting of bonds and equities. We predominantly invest client assets in mutual funds, exchange traded funds (ETFs) and individual bonds. SageVest will also hold legacy investment positions with significant embedded capital gains for clients. No proprietary investment products are utilized to avoid conflicts of interest.

Our management style seeks to develop investment portfolios designed to both grow and preserve our clients' assets. We work closely with clients to identify appropriate investment strategies in response to each investor's needs and goals. The integration of financial planning and wealth management services within each relationship facilitates this process. Fundamental investment considerations such as risk, liquidity needs, time horizon and tax considerations are reviewed on a frequent basis to ensure portfolios remain aligned with client objectives.

As of December 31, 2022, SageVest had approximately \$254,200,000 in assets under management, all of which was managed on a discretionary basis.

Clients can engage SageVest to manage all or a portion of their assets on a discretionary basis. SageVest operates as an independent registered investment advisor, meaning that we manage assets on behalf of clients and assume day-to-day supervisory responsibilities, but we do not assume custody of assets. We believe in the benefits of separating these roles to better serve client interests.

Clients are advised of their responsibilities to promptly advise SageVest of any material changes in their financial situation, their investment objectives, or if they wish to impose any reasonable restrictions on SageVest's investment management services. Clients may impose reasonable restrictions (e.g.,

employment restrictions that ban certain types of investments, or client restrictions on sale of selected securities) if, in SageVest's sole discretion, the conditions will not materially impact performance or prove overly burdensome to its management efforts.

More details about our investment management services can be found later in this regulatory brochure.

### **Financial Planning / Wealth Management Services**

SageVest's financial planning and wealth management services are broad in scope. Common areas reviewed with clients include retirement, philanthropic, estate, asset protection, family wealth transfer, college funding, tax and cash flow planning. Planning services can be offered relative to a specific topic or on a coordinated basis, rendering a comprehensive wealth management approach.

We encourage clients to engage in broad financial discussions at the beginning of each relationship and on an ongoing basis to ensure we have access to pertinent information. Ongoing discussions can spawn proactive planning recommendations and can impact investment management decisions.

SageVest often collaborates with the client's allied advisors (e.g., accountant or attorney). SageVest provides recommendations on the assumption that information obtained from the client and the client's advisors is accurate, and is not required to verify such data. Clients are advised of their responsibility to promptly advise SageVest of any material changes in their financial situation that might impact services rendered on the client's behalf.

Planning services can often be extended within the scope of the Investment Management Agreement without any additional billing (see details under Item 5). If services extend beyond the scope of the Investment Management Agreement, or are contracted under a separate Financial Planning Agreement, such services are billed on an hourly basis. Clients are advised that a conflict of interest exists if SageVest recommends its own services in return for compensation. The client is under no obligation to act upon any of the recommendations made by SageVest or to engage the services of any professional recommended by SageVest, including SageVest itself.

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## **Item 5 - Fees and Compensation**

### **Investment Management Fees**

SageVest is a fee-only financial advisory firm, meaning that we receive no commissions or incentives for services rendered. Fees for investment management services are calculated as a percentage of Assets Under Management (AUM). Annual fees vary between 0.40% and 1.00% per annum, depending upon the level of assets under management. Fee schedules may vary due to size and complexity of the relationship. SageVest imposes a minimum investment amount of \$1,000,000 for all new client relationships (unless an exception is granted, such as for a client's child). Family members residing within the same household (including trustees and/or trust beneficiaries) may aggregate accounts in order to reach the investment minimum and to receive the most preferential fee arrangement.

### **Calculation & Payment**

Fees are billed quarterly, in advance, and are based upon the total value of the account (including all securities and cash) as of the last day of the previous quarter. Clients are advised to hold large cash balances intended for non-investment purposes in accounts outside of our management. Holding large

cash balances for non-investment purposes outside of our management allows clients to prevent their account performance from being compromised by the combination of a low return on cash or cash-like investments and advisory fees being charged on the account.

Fees are pro-rated for any services provided over a portion of a quarter (based upon 90 days within a quarter), either for new client relationships or upon written notification of termination. Fees will begin to accrue immediately upon execution of the Investment Management Agreement, the time at which services commence. Because fees are billed in advance, for the initial billing period SageVest will prorate its fee for the portion of the quarter of which an active Investment Management Agreement was in place. Fees for this initial quarter will be calculated using the account balances as of the end of the immediately following quarter for all accounts eligible for investment management services. SageVest deducts fees directly from client accounts as it allows us to report investment performance net of fees. (Further disclosures regarding fee payments can be found in Item 15.)

#### ***Limited Exceptions To Current Fee Schedule***

- SageVest, in its sole discretion, may negotiate a lower management fee schedule based upon certain criteria (e.g., aggregate dollar amount of assets to be managed, anticipation of future assets, charitable initiatives, pro bono activities, etc.).
- Family members of employees may be exempt from fees.
- Historical fee schedules may differ from the above.

#### **Other Fees and Expenses Associated With Investment Management Services**

As further discussed in Item 12, clients may incur and are responsible for additional costs (separate from fees charged by our firm). Costs include, but are not limited to, fees imposed directly by mutual funds and ETFs (which are disclosed in the investment prospectus, and are accounted for prior to calculating the share value of the respective investment), taxes associated with investment transactions or withdrawals from qualified accounts, and Custodian Broker fees such as transaction commissions to purchase and sell securities, wire fees, margin fees, transfer charges and occasional account maintenance fees. Any such fees are exclusive of and in addition to SageVest's fees, and SageVest receives no part of any such fees.

#### **Financial Planning Services**

SageVest recognizes the benefits of coordinated investment and financial management services and extends financial planning (FP) services to clients who have executed an Investment Management Agreement (Agreement). The number of hours extended is based upon the level of AUM. We will allocate up to five hours of FP services annually per \$500,000 of AUM. Clients are not entitled to any discount or refund of fees in the event that they do not elect to receive these FP services. If the scope of the FP services extends beyond the hours extended under the Agreement, SageVest will promptly notify the client to determine if planning should continue, and the cost of providing services on an hourly basis. Fees are charged at an hourly rate ranging from \$200 to \$350 per hour for professional services and \$80 per hour for administrative support.

SageVest may also enter into separate Financial Planning Agreements. Services rendered will be outlined in the Financial Planning Agreement and fees will be charged on an hourly basis (see rates stated above). No investment related services are provided under Financial Planning Agreements. However, if a client engages SageVest for investment management services, SageVest may, in its sole discretion, offset a portion or all of the Financial Planning fees based upon the level of services rendered and aggregate dollar amount of assets to be managed.

### **Services Provided For Employer-Sponsored Retirement Plans**

SageVest typically provides investment management services for a client's aggregate investment portfolio, including retirement funds. This allows SageVest to align investment recommendations with broader decisions, rendering a true wealth management approach.

If a client is actively employed, SageVest will offer general investment recommendations for an employer-sponsored retirement plan. The cost of such services can often be absorbed within the financial planning hours allotted within the client's Investment Management Agreement. SageVest retains the right to determine if services can be provided, based upon the scope of investments offered under an employer plan, and the value of assets held in employer plans relative to the relationship.

No investment advisory services are extended for non-active retirement plans. The client has the option of electing an IRA rollover and placing the account under SageVest's active management, as per the fee schedule shown above. However, SageVest is not responsible for comparing costs relative to the company retirement plan or other options. Alternatively, the client can elect to self-manage the retirement assets, either leaving the assets within the employer retirement plan, or electing an IRA rollover without retaining SageVest's services. In this case, the client is solely responsible for investment decisions and implementation.

### **Refund Policy For Investment Management And Financial Planning Fees**

Either the client or SageVest can terminate relationships at any time upon providing written notice. SageVest will retain historical reporting responsibilities relating to the period of time services were rendered, but all and any financial or advisory services shall terminate as of the date of written termination notice. Any fees paid in advance for services that have not been rendered as of the date of such written notice will be refunded to the client. Investment management fee refunds are calculated based upon the pro-rata portion of the quarter for which services were not rendered, utilizing a 90-day quarter calculation method. If either party cancels the Agreement within (5) days from its inception and prior to the completion of the service(s) to be rendered, we will fully refund any fees paid.

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## **Item 6 - Performance Based Fees and Side-by-Side Management**

SageVest does not engage in performance-based fees which are typical of hedge fund management strategies. Please see a summary of our fees outlined in Item 5.

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## **Item 7 - Types of Clients**

### **Clients Who Work With Our Firm**

SageVest works with individuals, families, trusts, and small businesses to provide comprehensive investment and wealth management services. Our client base is diverse, but holds a common thread of seeking clear, unbiased advice. We strive to establish lasting relationships built upon trust, which we understand is a respect that is earned. Our business is structured to place our clients' interests at the helm of our decision making.

Clients often elect to work with our firm due to the combination of the following attributes:

- Fee-only and independent advice
- Broad multi-asset class investment strategies without the use of any proprietary or commission products
- Comprehensive investment and wealth management, bringing financial elements together in a coordinated, cohesive decision-making process
- High level of customer service, focused on providing individualized recommendations

### **Individualized Service**

Each relationship is approached based upon individualized needs and objectives. We are cognizant of the fact that clients often have unique circumstances, and are responsive to such needs as part of our investment process and within our wealth management recommendations. We also recognize that financial and investment objectives may vary between family members or account types, and tailor our recommendations accordingly.

### **Communications**

Open communications are encouraged so that we remain abreast of financial developments and develop appropriate strategies. Client meetings are preferred at least annually and we communicate on an ongoing basis. Clients are encouraged to contact us with questions pertaining to their investments or broader financial considerations.

### **Minimum Relationship Size**

As previously noted, SageVest requires an investment minimum of \$1,000,000 for new client relationships (unless an exception is granted, such as for a client's child). This minimum recognizes the level of service we provide, and applies to assets directly managed by our firm. Clients may aggregate accounts under common ownership and/or within a family structure to meet this minimum. SageVest may extend a lower investment minimum in selected instances.

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

### **Methods of Analysis**

SageVest blends fundamental and technical investment analysis in the process of creating and evaluating investment portfolios. Fundamental analysis encompasses economic, industry and company analysis, assessing current financial conditions and pricing while also considering future drivers, opportunities and investment risks. Technical analysis is used to a lesser degree. Technical analysis attempts to forecast the direction of prices through the study of past market data, primarily price and volume. SageVest does not conduct quantitative analysis as part of internal operations, but might purchase investments that employ quantitative analysis.

Additionally, SageVest retains the services of an independent investment consulting firm, gaining insights and research from Chartered Financial Analysts (CFAs). Such advice is considered as a resource, supporting SageVest's investment process and ongoing due diligence. SageVest retains and makes all final investment decisions, including implementing all investment transactions on behalf of clients.

### **Investment Strategies**

SageVest's investment services are tailored to individual goals and are focused on achieving measures of long-term growth while remaining cognizant of risk. We begin each relationship with in-depth discussions regarding investment objectives, risk tolerance, income needs and other financial considerations that



might impact investment approach. These topics are regularly revisited through ongoing communications to ensure that we remain aware of factors that could impact future investment decision-making.

SageVest is a multi-asset class manager and we encourage diversification in all portfolios. Investments span a variety of asset types, market capitalizations, countries and strategies. Our role is to create the appropriate investment structure to help clients achieve their long-term financial objectives and to identify suitable investments to fund the portfolio composition.

We typically invest in no-load mutual funds and exchange traded funds (ETFs). ETFs allow us to achieve broad market exposure through low-cost and tax-efficient investment instruments. Actively managed mutual funds are encompassed when we identify managers who bring valuable talent and investment experience in a given segment of the portfolio. We may also invest in individual bonds and limited partnerships, depending upon the appropriateness for the client. Individual equity positions may be held in selected instances, depending upon client circumstances, such as highly appreciated stock or family business interests.

SageVest's philosophy is to maintain diversified investment exposure with a long-term view over a full economic cycle, while making tactical adjustments based upon research-driven analysis. Tactical adjustments might involve emphasizing or de-emphasizing:

- exposure among major asset classes (equities, bonds, cash and alternative assets)
- exposure between domestic and international investments
- allocations among short, intermediate and long duration bonds
- types of debt instruments (i.e., Treasury, municipal, corporate, agency or other debt)
- allocations among market capitalizations (i.e., large, mid, small and micro cap)
- selected sector representation (i.e., health care, energy, real estate, etc.)

SageVest does not employ market timing strategies, and warns clients of the risks of trying to time significant purchase or sale strategies.

### **Risk of Loss**

The diversified nature of our investment portfolios is specifically designed to render a blend of growth and preservation of capital. That said, risks are inherent to every investment. Clients should only pursue investment strategies if they are capable and willing to assume investment loss potential.

It is important for clients to know and remember that all investments carry risks. Investing in securities involves risk of loss that clients should be prepared to bear.

**General Investment Risks:** Primary investment risks include, but are not limited to, market price fluctuations based upon broad economic cycles, interest rates, changes in laws and regulations, market liquidity events, impacts of leverage strategies and individual investment risk. Equities (stocks) have historically offered attractive growth potential, but they also entail significant market risk and price fluctuations. Bonds are incorporated to generate current income and reduce overall portfolio risk exposure, but they too entail reinvestment, credit and interest rate risk. Individual issue risk is the risk of losing principal due to performance of a specific company or bond issuer. A number of investment risks are reduced, but not eliminated. This risk is also minimized, but not eliminated, through portfolio diversification.

Investors should consider the risks noted above, as well as purchasing power risk, which is the risk of assets failing to keep pace with inflation. This often occurs when assets are held in cash or low income producing assets. Diversified long-term investment strategies are typically one of the best methods to avert purchasing power risk.

*Taxes and Cost Basis:* Investments can generate taxable events by virtue of the income they produce, capital gains generated and distributions from tax-qualified accounts. Taxable events can and will occur, and clients are solely responsible for any resulting tax liabilities. SageVest encourages all clients to consult with their tax professionals regarding transactions.

The Custodian Broker is responsible for all cost basis reporting and tracking, including realized capital gain and loss reporting. SageVest may receive cost basis information from the client or the client's allied professionals, and provide such information to the Custodian Broker. SageVest is not responsible for verifying the accuracy of such data, nor the corresponding tax impacts of any errors in data received.

*Regulatory Risks:* Changes in laws and regulations from any government can change the value of investment securities for a variety of reasons such as zoning, tax structures and laws that impact the future potential return of investments.

*Information Risk:* SageVest relies on research in order to make conclusions about investment options. Data is chosen based upon its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research could compromise SageVest's ability to reach satisfactory investment decisions. Clients and their allied professionals also provide data that bears relevance on SageVest's investment recommendations. SageVest is not responsible for verifying the accuracy of any such data.

*Mutual Funds & ETFs:* Shares of mutual funds are distributed and redeemed on an ongoing basis. The trading price at which a share is transacted is equal to a fund's stated daily 'per share net asset value' ("NAV") less any shareholder fees (e.g., purchase fees, redemption fees, etc.). The NAV share price of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is typically calculated at least daily for indexed-based ETFs and more frequently for actively managed ETFs. Certain inefficiencies may cause the shares to trade at a premium or discount to their NAV, and there is no guarantee that an active secondary market will be available for trading.

Mutual funds and ETFs may be managed by third-party managers. SageVest selects such managers based upon information available regarding current management practices. A third-party manager who has been successful in the past may not be available to replicate that success in the future. SageVest does not control the underlying investment decisions of a third-party manager's portfolio. This renders the risk that investment strategies could stray from the manager's stated practices, possibly making an investment less suitable. Furthermore, as we do not control the manager's daily business and compliance operations, it is possible that lapses in control procedures could be obfuscated and therefore go undetected.

*Investment Term and Liquidity Risks:* Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If a

client requires us to liquidate assets during one of these periods, the client may not realize full potential value of the investment as compared to if the investment had an opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.

Restriction Risk: Clients may place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.

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## **Item 9 - Disciplinary Information**

Neither SageVest nor its employees have any legal or disciplinary events to disclose.

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

### **Conflicts as a Registered Broker-Dealer Or Investment Operator**

Neither SageVest nor any affiliate is registered, nor has an application pending, to register as a broker-dealer, or an investment operator such as a futures commission merchant, commodity pool operator, or commodity trading advisor.

### **Conflicts with Related Persons or Entities**

SageVest generally recommends that clients utilize the brokerage and clearing services of Charles Schwab (Schwab). Schwab is recommended based upon their financial strength, reputation, execution, pricing, research and service. SageVest does receive economic benefits as a result of its affiliation with Charles Schwab. These benefits enhance SageVest's ability to service client relationships. As such, SageVest may have an incentive to select or recommend Schwab based on interests in receiving such benefits, which enhance SageVest's services as extended to clients. Further information is available in Item 12.

SageVest receives referrals from both clients and allied professionals, such as accountants and attorneys. SageVest may send 'de minimis' gifts in appreciation, but we do not receive, nor do we extend, compensation for referrals. SageVest may refer clients to allied professionals, but will only do so if SageVest believes the referral is appropriate and can render services in the client's best interests. Further information is available under Item 14, below.

### **Conflicts with Other Investment Advisors**

Neither SageVest nor any affiliate receives any compensation from, nor has any business affiliation with, other investment advisors.

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## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

SageVest understands the importance of working with a trusted advisor and the fiduciary role we assume. These considerations are paramount in our day-to-day decision making. As a fiduciary, we have a duty to

act solely in the best interest of our clients. Recognizing this role, we hold each employee to high standards of conduct and integrity.

SageVest has adopted a Code of Ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). SageVest’s Code of Ethics contains policies reasonably designed to prevent the unlawful use of material non-public information by SageVest or any of its employees. The Code of Ethics also requires all employees to provide annual reporting of personal security holdings, quarterly reporting of personal security transactions and to obtain pre-approval of certain investments, such as initial public and limited offerings.

SageVest and its employees are permitted to buy or sell securities that are recommended to clients. However, when SageVest is considering or implementing a security transaction on behalf of a client, neither SageVest nor its employees may affect transactions in such security for themselves or for their immediate family (members living in the same household) unless:

- client transactions have been completed
- the transaction for SageVest or its employees is completed as part of a batch trade with clients (see Item 12); or
- a decision has been made not to engage in the transaction for the client.

The above reporting and trading requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by open-end mutual funds or money market funds; (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds, and (v) shares of exchange-traded funds (ETFs).

This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by SageVest and its employees to be completed without any material impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact SageVest to request a copy of its Code of Ethics.

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## **Item 12 - Brokerage Practices**

### **Recommended Custodian Broker**

SageVest recommends selected Custodian Broker(s) to clients to maintain custody of client assets and to effect trades for their accounts. Relationships established through such recommendations may generate certain economic benefits to our firm and our clients.

SageVest generally recommends that clients utilize the brokerage and clearing services of Charles Schwab (Schwab). Client fees and commissions incurred at Schwab comply with SageVest’s duty to obtain “best execution.” Schwab offers competitive fee and commission structures. However, in choosing a Custodian Broker, SageVest is most concerned with the value the client receives for the cost paid, not just the cost. Schwab is chosen as a recommended Custodian Broker based upon their financial strength,

reputation, execution, pricing, research and service. The commissions and/or transaction fees charged by Schwab may be higher or lower than those charged by other Custodian Brokers.

Schwab provides access to institutional trading, which oftentimes offers more competitive pricing than is available to retail investors. SageVest is also able to achieve more competitive investment structures by aggregating assets as access to investments and pricing for investments can sometimes be negotiated based upon the level of Assets Under Management (AUM) held at any one Custodian Broker. Any price savings achieved are passed directly to clients as we operate as a fee-only firm and receive no commissions.

Alternate brokerage firms are typically only recommended for legacy annuities that clients owned prior to working with SageVest.

### **Best Execution**

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Custodian Broker services, including the value of research provided, execution capability, commission rates and responsiveness. SageVest seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be implemented independently among client accounts, or executed at the same time across multiple accounts. Aggregating accounts generally aids in obtaining an average price across all the accounts trading that security. However, we will not always aggregate trades. If the decision is made to trade a security for one account and not others, it will be implemented individually. If another account is recommended the same security and trades the same day, it may trade at a different price (either higher or lower).

### **Software and Support Received By Custodian Broker(s)**

Schwab provides services such as back office support, trading interfaces, data downloads and other technological services which facilitate SageVest's ability to service client relationships. Other services and products provided by Schwab or other Custodian Brokers may include third party research (such as Argus or Standard & Poors research reports), information on compliance and/or practice management, software to access client data and facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), reduced or waived fees to industry speaking engagements, and negotiated group pricing discounts on products offered by outside vendors.

SageVest may have an incentive to select or recommend Schwab based on interests in receiving services and products, which enhance SageVest's services as extended to clients. Many of these benefits are used to service all or a substantial number of client accounts, including accounts not maintained at the recommended Custodian Broker, but not all products and services directly benefit each client account. SageVest is not obligated to utilize any product or service offered by a Custodian Broker, nor is our firm committed to any specific amount of business with any Custodian Broker.

### **Disbursement of Funds To Third Parties**

Disbursements of funds to third parties can present significant potential fraud risks. To help reduce this risk and better protect our clients, we require written authorization from a client before releasing funds to a third party e.g., gifting of stocks to a non-profit organization. For wire transfers, we require both written and verbal confirmation directly from a client before we will transact any wire transfer.

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## **Item 13 - Review of Accounts**

Each client portfolio is reviewed on an individualized basis to ensure that the investments remain aligned with each client's communicated goals and needs. We continuously monitor our universe of investment holdings, along with market fundamentals. Individualized portfolio reviews are conducted on a quarterly basis, at a minimum, or more frequently if:

- 1) We feel that substantive changes require more immediate attention;
- 2) Significant deposits or withdrawals are transacted; or,
- 3) Client objectives or circumstances have changed.

Reviews are conducted by either a principal or financial advisor. The firm's Investment Committee determines asset allocation and investment direction for clients. This committee meets on a regular basis to monitor and discuss market and individual asset fundamentals. More frequent meetings are often conducted in response to changing market and economic events.

While each portfolio may be somewhat unique, we create 'model' or target portfolios based upon broad investment objectives such as growth, balanced, conservative or preservation. Employing a certain level of uniformity is desirable as it allows us to more aptly employ our investment research and portfolio construction analysis. Clients can request exceptions within their investment accounts, but we try to limit the degree of exceptions to ensure that we can adequately monitor the full degree of assets under our supervision and the integrated nature of such assets. Such requests, tax considerations, and legacy holdings may limit portfolio uniformity. SageVest retains the right to limit the number of exceptions, given the additional supervisory responsibilities they create.

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

SageVest establishes new client relationships primarily through referrals from existing clients or allied professionals. While we greatly value such referrals, we do not receive, nor do we extend, compensation for referrals. This follows our principle that we wish to establish client relationships on the basis that our services are well suited to meet the client's financial objectives. We may, however, offer gifts of appreciation to individuals who make referrals to our firm. Such gifts are nominal, typically less than \$200 in value.

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## **Item 15 - Custody**

SageVest's Investment Management Agreement and/or separate agreement with any Custodian Broker authorizes SageVest to debit the client's account for investment management fees and to directly remit fees to SageVest. Such fee payments can be completed in accordance with applicable custody rules.

Custodian Brokers recommended by SageVest have agreed to send a statement to the client, at least quarterly. Such statements reflect assets held in the account and transaction activity, including the amount of management fees paid directly to SageVest. Clients should carefully review statements received from the Custodian Broker and compare such statements to reports received from SageVest.

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## **Item 16 - Investment Discretion**

### **Investment Selection and Trading Discretion**

SageVest assumes discretionary trading authority for the majority of its client accounts, and only accepts new relationships that contain discretionary authority. Such authority is requested to ensure that we have the ability to respond to market events in a timely fashion and to ensure that all client accounts receive equal and prompt attention.

SageVest assumes discretionary authority over the following investment decisions:

- Allocations of investment exposure within stated minimum and maximum ranges as agreed upon in the client's Investment Policy Statement;
- Selection of securities to be purchased or sold;
- The amount or quantity of securities to be purchased or sold; and
- The timing of when transactions are implemented.

Investments are selected, purchased and sold based upon SageVest's understanding of the client's unique financial needs and goals. Parameters are set forth under individualized Investment Policy Statements which outline investment objectives, as well as minimum and maximum exposure that we can hold among various asset categories such as cash and bonds, equities (stocks) and alternative assets. Clients may request a limitation on this authority (such as certain securities not to be purchased or sold) if, in SageVest's sole discretion, the conditions will not materially impact performance or prove overly burdensome to its management efforts.

### **Custodian Brokerage Discount Negotiations**

SageVest has the authority to negotiate commission rates for equity, mutual fund and bond trades for client accounts held at any recommended Custodian Broker. We are generally able to negotiate more preferential commission rates for our clients based upon the level of client assets aggregated with any one Custodian Broker. Any negotiated fee schedules with a Custodian Broker apply to all of our clients with established relationships with said Custodian Broker. However, some Custodian Brokers may offer additional discounted commission rates to clients with aggregate assets over stated minimums, or as part of periodic marketing events.

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## **Item 17 - Voting Client Securities**

SageVest does not vote proxies on behalf of any client, nor provide advice. Clients receive proxy notifications directly from the Custodian Broker, and retain full responsibility for voting decisions and execution of voting practices.

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## **Item 18 - Financial Information**

SageVest is not required to disclose financial information based upon the exemptions noted below:

- SageVest does not require or solicit the prepayment of fees six months or more in advance;
- SageVest does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- SageVest has not been the subject of a bankruptcy petition at any time during the past ten years.