



## Introduction

[Sage Rutty & Co. Inc.](#),<sup>1</sup> ('Sage Rutty') is registered with the Securities and Exchange Commission as both a broker-dealer and investment adviser. We are also a member of FINRA and SIPC.

Fees and services differ, depending on whether your relationship with us is with the Broker-Dealer or our Registered Investment Adviser. It is important for you to understand the differences.

Free and simple tools are available for you to use at [www.Investor.gov/CRS](http://www.Investor.gov/CRS), a website maintained by the SEC. These tools can provide you with educational materials about broker-dealers, investment advisers, and investing.

This relationship summary provides information that helps you make an informed decision about whether or not to invest with us and should answer the following questions:

- What investment services and advice can you provide me?
- What fees will I pay?
- What are your legal obligations to me when providing recommendations as my broker-dealer, or when acting as my investment adviser?
- How else does the firm make money and what conflicts of interest do you have?
- How do your financial professionals make money?
- Do you or your financial professionals have legal or disciplinary history?
- Where can I find additional information?

### Terms to know

- A **broker-dealer** is a firm that acts as an intermediary between buyers and sellers of securities for which they will usually receive a commission and may purchase or sell those securities in/out of their own account.
- An **investment adviser** is generally any person or group that provides investment advice or conducts securities analysis in exchange for a fee.

## What investment services and advice can you provide me?

Sage Rutty & Co., Inc. offers both [brokerage and investment advisory services](#),<sup>2</sup> to retail investors, including;

- [Investment Management](#)<sup>3</sup> (Portfolio Analysis and Management – Asset Allocation Development)
- Retirement Planning (IRAs – Traditional, ROTHs and Rollovers – 401(k) and 403(b) Management – Pension and Profit-Sharing Plans – Converting Your Investments into a Retirement Income)
- [Fixed-Income](#)<sup>4</sup>, Bonds & CD's (Tax-Free Municipal Bonds – Corporate Bonds – CD's)
- [Financial Planning](#)<sup>5</sup> (Retirement Projections and Income Planning – Estate & Tax Planning)
- [Trust Services](#)<sup>6</sup> – Survivor Needs Analysis – Risk Analysis and Insurance Review)

You can find additional information about these services by visiting our website at [www.sagerutty.com](http://www.sagerutty.com) and through our Firm Brochure (Form ADV Part 2) at [www.sagerutty.com/disclosure](http://www.sagerutty.com/disclosure).

### Brokerage Services

Sage Rutty & Co., Inc. offers principal brokerage services including the buying and selling of; corporate (equity and debt) securities, mutual funds, municipal and U.S. government bonds, certificates of deposit as well as insurance and annuities. We do offer recommendations to retail investors.

We make available and offer advice on a full menu of products and investments. Sage Rutty does not solicit any proprietary products or offer only limited types of investments. In addition, we have no account minimums as to size or investment amounts. Accounts with no assets or activity for a certain length of time may be closed due to inactivity

In addition, we do not monitor retail investors' investments unless explicitly agreed to between the client and their Financial Advisor. If monitoring is agreed to, the client and Advisor will determine the frequency and any material limitations. Retail investors with accounts under our Broker-Dealer make the ultimate decision regarding the purchase or sale of investments. In only rare occurrences may we accept a limited discretionary authority. If we do, it must be pre-approved in writing by a Firm Principal.

Please visit our website at [www.sagerutty.com/services](http://www.sagerutty.com/services) for additional information.

## **Investment Advisory Services**

Sage Ruttly & Co., Inc. offers investment advisory services including financial planning and wrap fee programs. All advisory services are specific to the individual client's needs. After an initial meeting to discuss in detail the client's overall financial picture, this discussion may include, but is not limited to all relevant financial background and future goals, family dynamics and retirement and estate needs. A recommendation is then presented by the advisor representative for input from each client. All clients are expected to be very involved in this process, allowing the client and advisor to reach the best plan available that meets the client's individual needs. If needed, and as mutually agreed to by us, the client may restrict certain types of investments in their account.

Your Financial Advisor will monitor your investments on an ongoing basis. You will receive regular written reports that will show your investments, your rate of return and profits/losses on your positions. The frequency of meetings is decided with and agreed upon between you and your Advisor.

The majority of our accounts are supervisory, with clients making the ultimate decision regarding the purchase or sale of investments. We also offer accounts that we may manage on a discretionary basis as requested or recommended. Discretion must be granted to us by you in writing and is limited to the purchase or sale of securities; we do not have the authority to make withdrawals or deposits to your accounts. If you have limitations on the type of investments we have discretion for, you must provide us those instructions in writing. If you would like us to make periodic withdrawals or payments from your account, that must also be done in writing.

For additional information on specific services, investment offerings, account minimums, and other requirements for opening or holding the account, please review our Firm Brochure, a copy of which is available at [www.sageruttly.com/disclosure](http://www.sageruttly.com/disclosure) or by requesting a copy from your Advisor.

### **Conversation Starters - ask your financial professional:**

- Given my financial situation, should I choose an investment advisory service? Should I choose a brokerage service? Should I choose both types of services? Why or why not?
- How will you choose investments to recommend to me?
- What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?

## **What fees will I pay?**

Fees are different depending on whether your relationship with us is under our Broker-Dealer ('BD') or our Registered Investment Adviser ('RIA').

If you have a brokerage account, you will typically be charged a commission whenever you buy or sell an investment asset. Our current commission schedule and related costs for the purchase or sale of equities (common and preferred stocks) and options is located at [www.sageruttly.com/disclosure](http://www.sageruttly.com/disclosure).

If you have an advisory relationship with us, you will either be charged a fee based on the agreement we execute with you, which covers the assets we are managing in your account, or the Financial Plan we agree to develop together. You can find a list of our Advisory fees and related costs at [www.sageruttly.com/disclosure](http://www.sageruttly.com/disclosure).

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

### **Brokerage Services Fees**

The principal fees and costs that retail investors will incur for our brokerage services are typically all transaction related. In other words, any time you buy or sell an asset through us we charge a commission. In addition, you may incur fees for certain accounts and/or services we perform. For instance, Individual Retirement Accounts ('IRA') incur an annual fee, as do some accounts due to inactivity. Checks from clients returned due to insufficient funds, stop payments, overnight packages, wire transfers, etc., all may incur a fee. You can find a list of current fees and costs related to our brokerage services at [www.sageruttly.com/disclosure](http://www.sageruttly.com/disclosure).

Such transaction-based fees could be considered an inherent conflict of interest as an investor would be charged more when there are more trades in their account, and so the firm may therefore have an incentive to encourage a retail investor to trade often.

### **Investment Advisory Services Fees**

We offer both Wrap Fee investment programs and Financial Planning services under our Registered Investment Adviser.

All advisory services are specific to the individual client's needs. After an initial meeting to discuss in detail the client's overall financial picture, this discussion may include, but is not limited to all relevant financial background and future goals, family dynamics as well as retirement and estate needs. A recommendation is then presented by the advisor representative for input from each client. All clients are expected to be very involved in this process, allowing the client and advisor to reach the best plan available that meets the client's individual needs. If needed, and as mutually agreed to by us, the client may restrict certain types of investments in their account.

Under a wrap fee program, the fees listed are asset based and, depending on the custodian, assessed quarterly either in advance or arrears. There may be a minimum fee to maintain this type of account. Fees include advisory services, performance measurement, transaction costs, custody services and trading. These fees do not cover the fees and expenses of any underlying exchange traded funds, closed-end funds, or mutual funds in the portfolio. Non-wrap programs charge these fees separately, and the net cost of these programs could be higher or lower than the cost of the combined services under a wrap program. Sage, Ruttly & Co., Inc. and your Financial Advisor will share in a portion of the management fees that are charged to you.

Advisory accounts are not designed for excessively traded or inactive accounts and may not be suitable for all investors. Please carefully review the Advisory Disclosure Document associated with the program for a full description of services, including fees and expenses. All wrap account programs have a minimum account size. You can find a list of our Advisory fees and related costs at [www.sageruttly.com/disclosure](http://www.sageruttly.com/disclosure).

The more assets there are in a retail investor's advisory account, the more a retail investor will pay in fees, and the firm may therefore have an incentive to encourage the retail investor to increase the assets in his or her account. This could be considered an inherent conflict of interest.

The fee for a financial plan is dependent upon the scope of the plan. Sage Ruttly has several fee structures for the services as set forth at [www.sageruttly.com/disclosure](http://www.sageruttly.com/disclosure). The specific fee structure utilized in any given situation shall be fully discussed with the client and disclosed in the Financial Planning Agreement, which the client signs with Sage Ruttly prior to the commencement of any services.

### **Other Fees and Costs**

As noted above, fees and costs are incurred when conducting business under either our Broker-Dealer or our Registered Investment Adviser. Other fees and costs related to the brokerage side of our business include: a commission or a contingent deferred sales charge ("CDSC") when you purchase a mutual fund (please see the fund prospectus for a list of all fees and costs); a mark-up or mark-down when purchasing or selling a fixed income asset (e.g., municipal bond) when we act in a principal capacity; a commission when you purchase an insurance contract or annuity investment through us. Additional categories of the most common fees and costs incurred by retail investors can include custodian fees, account maintenance fees, internal fees related to mutual funds and variable annuities, and other transactional fees and product-level fees.

#### **Conversation Starter - ask your financial professional:**

- Help me understand how these fees and costs might affect my investments.
- If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

## **What are your legal obligations to me when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

### **Standard of Conduct**

When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means.

### **Examples of Ways We Make Money and Conflicts of Interest**

We have an obvious incentive for you to become our client which creates either commissions or advisory fees for our firm. Our Advisors are licensed to sell a number of different financial products for a commission, including stocks, mutual funds, options, bonds, certificates of deposit, insurance and annuities and this could be considered a conflict of interest.

Other conflicts of interest that could affect retail investors include:

- Our Advisors could receive variable compensation based upon brokerage services or investment advisory services that they provide to the client.
- Our Advisors receive a bonus based upon meeting certain production goals.
- Our Advisors could receive a bonus based upon new recurring revenue assets.
- Some Advisors, acting in the role of product coordinator, may earn additional compensation based upon their role in the sales of certain investment products such as annuities, fixed income securities and insurance.

- IRA Rollover advice: Retirement plan participants seeking advice on what to do with their plan assets, (e.g., 401(k), 403(b), etc.), should compare plan costs with the fees for investment options, trades, annual account fees and any termination costs before rolling to an IRA.
- Principal Trading: From time to time we may underwrite certain fixed income investments or buy such investments from a retail investor and/or sell to a retail investor, for or from our own accounts, respectively.
- Revenue Sharing: Cash balances in an account may be invested in money market mutual funds including, as permitted by law, those with which we have agreements to provide advisory, administrative, distribution, and other services and for which we receive compensation for the services rendered. In a low interest rate environment, the yield that you earn on cash and cash alternatives, including cash sweep funds, CDs and money market funds, may not offset advisory fees. In some instances, the effective yield of the investment may, in fact, be negative. The Cash Sweep should not be viewed as a long-term investment option. If you desire to maintain cash balances for other than a short-term period and/or are seeking the highest yields currently available in the market, please contact your financial professional to discuss investment options that may be available outside of the Cash Sweep Program to help maximize your return potential consistent with your investment objectives and risk tolerance.

For additional information about potential conflicts of interest, please go to [www.sagerutty.com/disclosure](http://www.sagerutty.com/disclosure).

#### **Conversation Starter - ask your financial professional:**

- How might your conflicts of interest affect me, and how will you address them?

### **How do your financial professionals make money?**

Our financial professionals are compensated based on factors such as the amount (value) of client assets they service, the time and complexity required to meet a client's needs, the product sold, product sales commissions, or revenue the firm earns from the financial professional's advisory services or recommendations. Additional information about such fees and commissions can be found at [www.sagerutty.com/disclosure](http://www.sagerutty.com/disclosure).

### **Do you or your financial professionals have legal or disciplinary history?**

Yes. Our Broker-Dealer affiliate has legacy disclosures. Details regarding these disclosures can be located by using [BrokerCheck](#), which is a free tool to research the background and experience of financial brokers, advisers and firms. BrokerCheck is accessed by going to <https://brokercheck.finra.org/>. You can also find information from the U.S. Securities Exchange Commission ("SEC") on both Investment Adviser firms and individuals registered with the SEC at: <https://www.adviserinfo.sec.gov/>

#### **Conversation Starter - ask your financial professional:**

- As a financial professional, do you have any disciplinary history? For what type of conduct?
- Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Whom can I talk to if I have concerns about how this person is treating me?

### **Where can I find additional information?**

Relationship Summaries, also known as Form CRS, are required to be updated periodically. In order to make sure that you have the latest update of our Form CRS, you can call 585.512.2354 to request a copy, or download the latest update from our website at [www.sagerutty.com/disclosure](http://www.sagerutty.com/disclosure). You can always ask your financial advisor for more information or request a copy of this relationship summary by contacting Robert Lohwater, our compliance officer, at 585.512.2343.

### **Resources**

Sage Rutty & Co. Inc. <sup>1</sup>

Brokerage and Investment Advisory Services <sup>2</sup>

Investment Management <sup>3</sup>

Fixed-Income <sup>4</sup>

Financial Planning <sup>5</sup>

Trust Services <sup>6</sup>

Disclosures

<https://www.sagerutty.com/>

<https://www.sagerutty.com/services>

<https://www.sagerutty.com/investment-management>

<https://www.sagerutty.com/fixed-income>

<https://www.sagerutty.com/financial-planning>

<https://www.sagerutty.com/estate-planning>

<https://www.sagerutty.com/disclosure>