

SAGE

PRIVATE WEALTH GROUP

Fiduciary or Not Fiduciary: The Strange Saga of the DOL Fiduciary Rule

In the last couple of years, we have communicated to you about the Department of Labor (DOL) Fiduciary Rule and what that means to you as a valued client of SAGE. We also shared with you that since opening our doors in October 2011 we built our firm on the principle of acting as our clients' undisputed fiduciary representative.

The history of the DOL Fiduciary Rule is truly a saga for the ages. A fiduciary standard was debated among industry experts, regulators and the investing public for more than a decade. From all of the debate and wrangling came the DOL Fiduciary Rule which, originally, was scheduled to be phased in from April 10, 2017 to Jan. 1, 2018. However, when Donald Trump became President and moved into the White House in January 2018, his administration called for an immediate review of the rule which put the entire process on hold and in jeopardy. Finally, after considerably more debate, the DOL Fiduciary Rule was officially vacated on June 21, 2018 by the U.S. Fifth Circuit Court of Appeals.

Had it not met its demise, the DOL Fiduciary Rule would have required wealth advisors to act as fiduciaries for their clients' retirement (qualified) assets. If upheld, wealth advisors would have been required, by law, to place their clients' interests ahead of their own. Any discerning client would ask the question, "Aren't all wealth advisors required to place my and my family's interests ahead of their own self-interest?" Unfortunately, there is no such requirement. In fact, countless millions of dollars were paid by wealth service firms to professional lobbyists to fight the DOL Fiduciary Rule tooth and nail.

There is new legislation afoot put forth by securities regulators and by individual states with the objective of developing a 'harmonized' and singular standard of fiduciary care. We are hopeful that we will see success on this most important topic but the proposals we have seen thus far are watered down and fall short, in our view, of the level of care and commitment a true fiduciary would exercise on their clients' behalf.

We cannot wait for the bureaucrats to work out their differences, nor can the investing community. The team at SAGE wants to reiterate to you, our valued clients, that SAGE has always acted in your best interest, to place your concerns ahead of our own, to be held to a higher standard of care both ethically and legally, and to act as your fiduciary, not only for your retirement assets, but for all assets under our care. As a fiduciary, SAGE exercises the following principles:

1. We seek to obtain a holistic view of our client's goals and objectives and to then apply tailored solutions designed to build greater confidence around achieving those goals. We strive to deliver Service Excellence through the SAGE Wealth Management Standard of Care as we work to build and preserve our clients' investment legacy.
2. We understand that our client's goals and financial needs are subject to change. For this reason, we deem it essential to meet with clients to review portfolios and financial plans regularly. During these reviews, along with frequent proactive communication, we strive to understand our client's objectives. Furthermore, our systematic portfolio rebalancing methodology enables us to maintain client's stated

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investment objective outlined in each account's Investment Policy Statement.

3. We have developed a disciplined portfolio management process that guides us as investment managers as we aim to deliver our best thinking and our best ideas to all of our fiduciary clients. To this point, we have a dedicated Investment Committee that upholds the firm's investment philosophy and collaboratively implements prudent investment decisions across discretionary portfolios.

4. We are committed to providing non-conflicted advice. SAGE's independent wealth management process is designed to help enable our Wealth Advisors to apply recommendations that are in the best interest of our clients. Furthermore, and equally as important, SAGE Private Wealth Group does not maintain proprietary products. We dedicate tremendous time and resources performing due diligence on third-party asset managers prior to allocating client funds for investment.

At SAGE Private Wealth Group, we stand ready in our role as an industry leader, as a firm that has embraced the Fiduciary Standard of Care from our inception. We provide personalized financial advice to our clients and surround them with the depth of professional talent and experience that they deserve; a dedicated team of professionals who work collaboratively and who share a deep commitment to serving our clients first.

As always, please feel free to contact your Wealth Advisor today to engage us in a deeper conversation about how we embody and implement our commitment to a Fiduciary Standard of Care as it relates to you and your unique situation. Further, we welcome introductions to those friends, family members and colleagues who you believe would appreciate and benefit from our approach; and we always stand ready to deliver our best thinking, our best ideas and our commitment to Service Excellence as your ambassador.

Sincerely,

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