



**Part 2A of Form ADV: FIRM DISCLOSURE BROCHURE**

Item 1 – Cover Page

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This brochure provides information about the qualifications and business practices of Dent Asset Management (DAM). If you have any questions about the contents of this brochure, please contact us at 225-922-9955 or [dg@dentgroup.com](mailto:dg@dentgroup.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. Registration does not imply any level of skill or training. Additional information about Dent Asset Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

Since our last filing, we have generally rewritten our entire brochure. We have materially revised our discussion of Brokerage Practices, Item 12, and Custody, Item 15.

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#### Item 4 – Advisory Business

A. The Dent Group L.L.C., d/b/a Dent Asset Management (hereinafter “DAM” or “Advisor”) is a Registered Investment Advisor with the Securities and Exchange Commission (“SEC”). We were founded by Fred Dent, our principal shareholder in 1997. Our principal place of business is located in Baton Rouge, Louisiana. Our principals together have over 62 years of experience in the investment management business.

B. We act as a fiduciary to you with regard to our investment advisory services and we must put your interests above our own in managing your account. We comply with the impartial conduct standards set forth under the Employee Retirement Income Security Act (“ERISA”) and will provide advice to you in your best interest, charge you only reasonable compensation within the meaning of ERISA, and provide information to you that is not misleading.

We provide continuous advice to our clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions, in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment approach and create and manage a portfolio based on that approach.

C. During our data-gathering process, we determine the client’s individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. We manage advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., capital preservation, growth with income, growth, or speculative growth), as well as tax considerations.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States government securities
- Exchange traded funds (ETFs)
- Money market funds and cash alternatives

Clients may impose reasonable restrictions on investing in certain securities or types of securities.

Because some investments involve certain additional degrees of risk, they will only be implemented or recommended when they are consistent with the client's stated investment objectives, tolerance for risk, liquidity, and suitability. Although we generally exercise investment discretion for each account that we advise, the portfolio composition within the same investment objective may, at any given time, differ as to composition. As a result, the performance of an account within a particular investment objective may differ from other accounts within that same investment objective. These differences in portfolio composition are attributable to a variety of factors, including, but not limited to, the type of account (e.g., manner of trade execution), clients’ restrictions and guidelines, sizes and significant account activity (e.g., significant number of contributions and/or withdrawals).

Where appropriate, we also provide advice about any type of legacy position or other investment held in client portfolios. Clients may engage us to manage and/or advise on certain investments that are not held at the primary custodian, such as variable life insurance and annuity contracts and assets held in employer-sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, we direct or recommend the allocation of client assets among the various investment options available with the product. DAM may charge an additional fee for this advice. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider. At no time will we accept or maintain custody of a client's funds or securities. All client assets will be managed within their designated account[s] at the custodian, pursuant to the client investment advisory management agreement.

### **Financial Planning Services**

In addition to investment management services discussed above, we also offer financial planning services. This is an optional service for which we may charge an additional fee. The financial planning process provides clients with a net worth summary, goals and priorities, funding for retirement, and other key personal benchmarks all in one place. The process also provides detailed information of the results of collaborative client financial guidance exercises conducted between clients and us. The various tools of the guidance process offer a platform for clients to collaborate with us and receive up-to-date information about their assets and goals.

When providing financial planning services to clients, information included may contain information about accounts for which we do not manage or advise the Client. As such, no inference should be drawn that we serve as the adviser on all securities or assets listed or discussed. For client assets that we are not granted discretionary authority to manage, we will not actively supervise those assets. As an ongoing service, with the client's cooperation, we will meet with clients periodically to monitor their risk profiles and objectives by updating the financial guidance provided to account for changes. Meetings may occur in-person or remotely by telephone or webinar.

D. We do not participate in any wrap fee programs.

E. As of May 1, 2019 we actively manage \$240,000,000 of client assets on a discretionary basis. We do not manage any accounts on a non-discretionary basis.

### **Item 5 – Fees and Compensation**

A. We collect two types of fees: investment advisory fees and financial planning fees. Both fees are computed as a percentage of assets managed:

- For advisory fees, we charge 1% on the first \$2 million and then 0.75% on the amount above \$2 million. The minimum fee is \$5,000 annually. Fees are negotiable in limited circumstances.
- For financial planning, we charge .25% on the first \$2 million and then 0.10% on the amount above \$2 million. The minimum fee is \$1,500 annually. Fees are negotiable in limited circumstances.

B. Our fees are computed quarterly in arrears and, when authorized, deducted directly from client custodial accounts. Clients can be billed directly.

C. Clients are responsible for brokerage fees and limited custody and administrative fees. We strive to negotiate favorable fees on the client's behalf when possible. (This is discussed further in Item 12 below.) We receive no transaction fee or any other compensation via client trading activity nor do we charge any exit or cancellation fees.

D. We do not collect fees in advance.

E. None of our supervised persons accepts compensation for the sale of securities or other investment work product.

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

We do not charge performance-based fees.

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

We provide advisory services to the following types of clients:

- Individuals or Families (other than 'high-net-worth' individuals)
- 'High-net-worth' Individuals or Families
- Pension and profit-sharing plans (other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As a condition for starting and maintaining an investment management relationship, we generally impose a minimum annual fee of \$5,000. This minimum fee may cause Clients with smaller portfolios to incur an effective fee rate that is higher than our stated fee schedule. We may, in our sole discretion, elect to waive our minimum fee based upon certain criteria, including anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities.

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

A. We use the following methods of analysis in formulating our investment advice and/or managing client assets:

- **Fundamental Analysis:** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company) to determine if the security is underpriced (indicating that it may be a good time to buy) or overpriced (indicating that it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk because the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.
- **Asset Allocation:** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.
- **Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been

successful may not be able to replicate that success in the future. In addition, because we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security thereby increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF which could make the holding(s) less suitable for the client's portfolio.

- **Risks for all forms of analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

We use above forms of analysis in managing client accounts in accordance with the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued, and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Investing in securities is inherently risky. This includes the risk that you could lose the value of your investments. We strive to reduce risk where possible through diversification and asset allocation. This diversification, however, does not reduce all risk. We believe it important that clients appreciate such risk and they communicate their tolerance for risk and loss to us. We do not recommend any particular type of security as we have a broad base of clients with varied needs and objectives. However, we primarily implement our investment strategies through the purchase of mutual funds or exchange traded funds ("ETF's").

#### **Item 9 - Disciplinary Information**

We have not had any complaints from clients or any legal or disciplinary action taken against us by any supervisory authority.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

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

In order to safeguard our clients' interests, we have implemented a comprehensive Code of Ethics, a full copy of which is available for review on request. Our Code establishes rules of conduct for employees and members of our firm including personal transactions, conflicts of interest, insider trading, disclosure and reporting, gift policy, sanctions and reviews. Our Code is reviewed annually and updated as needed. Our Code of Ethics is designed to ensure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under our Code of Ethics, we do not sell securities in which we or a person related to us has an interest. We often invest our personal funds in the same securities that we recommend to clients. Before initiating a personal

transaction, all trades must be pre-cleared by our Chief Compliance Officer (CCO). We evaluate all personal trades so that the clients' interests are placed first. Employees and firm members are prohibited from trading a given security on the same day as a client to avoid affecting the pricing or availability of a particular security.

## **Item 12 - Brokerage Practices**

We generally use Fidelity Investments to process our clients' brokerage transactions and recommend Fidelity Investments as a custodian to our clients. Besides protection, convenience and peace of mind, our relationship with Fidelity enables us to offer our clients:

- A broad range of investment management, cash management, and retirement planning services
- Independent third-party account reconciliation
- A superior user experience through intuitive online and mobile access to accounts
- Streamlined account-consolidation capabilities
- Clear, comprehensive communications including an easy-to-read statement

We also use Raymond James Financial Services for custody and brokerage services. In recommending these broker-dealers as custodians, we take into account the quality of the execution of their transactions, the range and quality of services provided by the broker-dealer to the client and to the Firm in its capacity as discretionary investment manager for the client's account, including, but not limited to, the broker-dealer's computer software and support systems that enable the Firm to access online account information, generate account statements and reports and place orders to buy or sell securities for the account.

Clients may use their own custodian. These directions shall be in writing.

We receive from Fidelity Investments and Raymond James Financial Services both financial support and support for computer software and related systems. This support constitutes "soft dollars." We use these soft dollar purchases to support our research efforts and to better manage our client accounts. We compile and maintain records of each soft dollar purchase, including any agreements, and for each broker: a list of proprietary and third-party research providers and the service or product obtained from each provider. Specifically, we receive the following benefits from Raymond James and Fidelity Investments:

- Access to a client newsletter service
- Financial support to pay for software systems related to the client experience
- Various corporate discounts such as shipping services
- Occasional continuing-education travel opportunities
- Access to institutional investment research and investment market pricing

We do not recommend broker-dealers in return for referrals.

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

While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, client accounts are reviewed periodically. Our client reviews occur no less than annually. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political, and economic environment. These accounts are reviewed by: Fred Dent CFA, Zaheer Poptani LLB, MBA MA and Mawe Takyi CFP®.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account investment return, balances, and holdings.

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

Our policy is to not engage solicitors or to pay related or non-related persons for referring potential clients to our firm. In addition, we do not accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

#### **Item 15 – Custody**

We do not maintain custody of our clients' funds or securities. A client may use an existing qualified custodian, such as a broker-dealer or bank, to hold investments, or we can recommend an appropriately qualified custodian. Account statements will be sent directly from the qualified custodian that maintains client assets. We also send periodic statements which should be reviewed and compared to the account statement sent by the custodian.

We are deemed to have custody of certain accounts by the SEC whereby we have authority to make transfers from those client accounts. In those instances, we follow SEC regulations and guidance on required documentation and procedures to make those transfers.

#### **Item 16 - Investment Discretion**

We ascertain our clients' investment objectives and goals and request investment discretion from them to execute their individual strategy. We believe this allows the investing process to be more efficient and productive for both the client and the advisor. In accordance with the agreement, we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to do the following without contacting the client: determine the security to buy or sell; and/or determine the amount of the security to buy or sell. Clients give us discretionary authority when they sign the client investment advisory management agreement with our firm and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

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

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding proxy issues to clients.

#### **Item 18 - Financial Information**

We do not require or solicit prepayment of more than \$1,200 in fees per client, six (6) months or more in advance. We have not been the subject of a bankruptcy petition at any time during the past ten years.