

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of BARDEN CAPITAL MANAGEMENT, INC. “BCM.” If you have any questions about the contents of this Brochure, please contact us at 512-366-8081 or [info@bardencapital.com](mailto:info@bardencapital.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.

BARDEN CAPITAL MANAGEMENT, INC. 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 BARDEN CAPITAL MANAGEMENT, INC. is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). BCM’s IARD number is 141769 and can be used as a search term.

## **Item 2 – Material Changes**

We added information about potential conflicts of interest to Item 14.

### Item 3 -Table of Contents

Item 1 – Cover Page .....	i
Item 2 – Material Changes .....	ii
Item 3 – Table of Contents.....	iii
Item 4 – Advisory Business.....	1
Item 5 – Fees and Compensation .....	1
Item 6 – Performance-Based Fees and Side-By-Side Management .....	3
Item 7 – Types of Clients .....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	3
Item 9 – Disciplinary Information .....	5
Item 10 – Other Financial Industry Activities and Affiliations .....	5
Item 11 – Code of Ethics .....	5
Item 12 – Brokerage Practices.....	7
Item 13 – Review of Accounts.....	8
Item 14 – Client Referrals and Other Compensation.....	8
Item 15 – Custody.....	9
Item 16 – Investment Discretion.....	10
Item 17 – Voting Client Securities.....	10
Item 18 – Financial Information.....	10

## **Item 4 – Advisory Business**

Barden Capital was founded by brothers Eric and Ryan Barden in 2006. They are the firm's principal owners.

BCM provides investment advice and investment management services to clients for a fee. Before we start investing, we get to know our clients' financial goals and their current financial situation. We take that information, combine it with our investment strategies, and then we will buy and sell securities in clients' accounts. While we like to keep all options open in an effort to maximize client returns, we are able to accommodate any restrictions that our clients request if there are certain companies, industries, or types of securities in which they would rather not invest.

At the end of each quarter, we will send a complimentary newsletter to our clients that explains our current thinking about the markets and the economy, and we will often discuss securities purchased for client portfolios. Additionally, Portfolio Manager Eric Barden is always happy to discuss his current views. Every client will have an Investment Advisor Representative with whom they can discuss any changes to their financial situation.

As of December 31, 2023, we managed \$132,300,000 in client assets.

All material conflicts of interest under CCR Section 260.238 (k) are disclosed below regarding our firm, our representatives, or our employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

We offer goal based financial planning, which is a process of setting financial goals, prioritizing those goals, taking inventory, forecasting, and calculating the probability of successfully achieving those goals. We can help with budgeting, current needs analysis, and education planning. There is no charge for these services beyond the asset-based fee described in Item 5.

## **Item 5 – Fees and Compensation**

BCM Fee Schedule

On the last day business day of the prior quarter, we take the total value of client accounts and multiply them by one quarter of the client's annual fee. Depending on the client's instructions, we then either withdraw that amount directly from the account, or we will send an invoice to the client. The maximum fee that we charge is 1.5% annually of the assets we manage. Different types of accounts pay different fees, and our fees are negotiable, but for an account valued at \$1,000,000 or less, the maximum fee is 1.5%, while for accounts over \$10,000,000, the maximum fee is 1%. The amount that we bill is in advance and rounded up or down to the nearest dollar.

When we have calculated the fees for the period, we will either then instruct the Custodian (Schwab in most cases, but occasionally Hilltop) to deduct the fees directly from the client account or we will send an invoice to the client. Please see Item 15 for more information regarding the deduction of fees from our client accounts.

The Custodian provides monthly statements which reflect all activity in the client's account, including all disbursements and the amount of the advisory fee. The fee is calculated using the total value of the account on the final business day of the prior quarter, on a trade date basis. This amount may differ from the amount on the statement sent by the Custodian, which may reflect the settlement date value.

If a client adds money or securities to their account in the middle of the quarter, or if they make withdrawals, we will prorate the management fee. Accounts initiated during a calendar quarter will be charged a prorated fee, and all of these calculations will appear on the billing statement.

Either party may terminate the advisory agreement with 30 days' notice. Like it says above, we bill in advance, so should a client wish to terminate our agreement, we ask that the client provide written notice of termination. We will refund the fee on a prorated basis based on the number of days into the quarter the notice was received. If we are unable to return the funds directly to the account, we will mail a refund check to the address of record on the account. In the event client did not receive the adviser's Form ADV Part 2 at least 48 hours prior to entering into the agreement, then the client shall also have the right to terminate the agreement without penalty within five (5) days of entering into the agreement.

Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and

in addition to our fee, and we will not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

The services provided under this arrangement may be found elsewhere at a lower rate.

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

BCM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client) and therefore does not engage in side-by-side management.

### **Item 7 – Types of Clients**

BCM provides portfolio management services to individuals, high net worth individuals, and trusts. Our services are also available to corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, foundations, endowments, municipalities, registered mutual funds, private investment funds, trust programs, sovereign funds, foreign funds such as UCITs and SICAVs, and other U.S. and international institutions.

Our minimum account size is \$100,000, but that minimum may be waived at our discretion based on the needs of the client and the complexity of the situation.

### **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.

A number of different investment approaches can outperform at any given time. A portfolio that utilizes a variety of successful strategies should outperform but with much lower volatility than a portfolio that depends exclusively on one strategy. We attempt to

engineer consistent outperformance both in terms of absolute return as well as risk-adjusted return by continually implementing a variety of investment approaches.

We currently track roughly seventy specific investment strategies. We believe that most of these strategies will outperform the market over time, but they won't outperform at the same time. For example, during periods of strong U.S. economic activity, strategies that rely on smaller value stocks tend to outperform. As economic activity moderates, strategies that rely on large growth companies and international stocks tend to outperform. To be clear, we do not offer seventy strategies for our clients to choose from, we combine the features of different strategies at different times to create a single strategy for our client portfolios. This is not a market timing strategy.

Once we have identified the most productive investment strategies, we identify a short list of stocks that possess a factor profile consistent with each strategy. Through this process, we screen the equity universe down to a manageable list of two to three hundred candidates. A stock that is trading at a discount to intrinsic value and reflects a factor profile that is currently in high demand has an excellent chance of immediate outperformance. Ultimately, the decision to buy or sell a stock is a subjective, qualitative decision. We use quantitative techniques as a road map to direct us to the segments of the market where our subjective decision making is most likely to be successful.

We offer three primary strategies. They are 1) Equities, 2) Fixed Income, and 3) Exchange Traded Funds (ETFs). Most of our assets are invested in accounts with a combination of Equities and Fixed Income. The ETF strategy is primarily used for accounts that do not have enough assets to justify the trading costs of the Equity strategy, or for Special Needs Trusts. While the Equity strategy does not trade frequently, the model averages around fifty positions, so there can be significant initial trading costs.

We use a risk-tolerance questionnaire, along with client interviews by the investment advisor representative (or by the primary advisor in the case of sub-advised accounts) to decide on percentage allocations to the equity and/or fixed income models. The allocations are then implemented using stocks, bonds, mutual funds, and ETFs. Client accounts within a particular model are tailored to each clients' individual characteristics.

Investing in securities involves a risk of loss. We do not offer any products or services that guarantee rates of return on investments for any time period to any client. All clients assume the risk that investment returns may be negative or below the rates of return of other investment advisors, market indices or investment products.

Equities are susceptible to market fluctuations and to volatile increases and decreases in value as investors' confidence in and perceptions of their issuers change.

Investments in common stocks are subject to the risk that in the event of a company's liquidation, the holders of preferred stock and creditors will be paid in full before any payments are made to holders of common stock.

Fixed Income securities, such as notes, bonds, and fixed income mutual funds are subject to credit risk and interest rate risk. Credit risk is the possibility that an issuer of an instrument will be unable to make interest payments or repay principal when due. Changes in the financial strength of an issuer or changes in the credit rating of a security may affect its value. Interest rate risk is the risk that interest rates may increase, which tends to reduce the resale value of certain debt securities.

Exchange-traded funds are subject to risks similar to those of other publicly traded shares, including loss of principal, price volatility, competitive industry pressures, global political and economic developments, possible trading halts, and index tracking error. ETFs with concentrated holdings will be subject to greater volatility than those that invest more broadly. In all cases, investment returns will fluctuate and are subject to market volatility, so that a client's shares, when sold, may be worth more or less than the original cost. ETFs can trade at a premium or discount of net asset value, and a premium paid at purchase may not be realized at sale.

Various types of investments involve different kinds of risk, and there is no assurance that any investment strategy will be profitable.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BCM or the integrity of BCM's management. BCM has no information applicable to this Item.

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

No affiliated person of BCM has any other financial industry activities or affiliations.

## **Item 11 – Code of Ethics**

BCM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics



includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at BCM must acknowledge the terms of the Code of Ethics annually, or as amended.

BCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which BCM has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities which BCM, its affiliates and/or clients, directly or indirectly own. BCM's employees and persons associated with BCM are required to follow BCM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of BCM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for BCM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of BCM 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 the Code certain classes of securities (mutual funds that always trade at NAV) have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of BCM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. The Code of Ethics prohibits affiliated persons from front running the orders of clients and employee trading will not be permitted to disadvantage any trading on behalf of clients. Employee trading is continually monitored under the Code of Ethics to mitigate conflicts of interest between BCM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with BCM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. BCM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

BCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Ryan Barden.

## **Item 12 – Brokerage Practices**

We recommend that clients use Charles Schwab & Company, Inc. as their custodian. Other custodians will only be used if requested by the client. Factors used in determining to use Schwab as our broker centered on the cost of commission rates and on the ability to execute the order at favorable prices to the client, which may be higher than the best available execution rate if the broker provides research services to the advisor. Research provided by an executing broker may benefit any or all of our other accounts. We do not determine commission rates paid to broker dealers.

We have contracted with Charles Schwab to use its trading platform (schwabinstitutional.com) and Schwab's account management software (Portfolio Center). The Advisor also receives research from Schwab. These services are not paid for by the clients or through commissions generated from client trades, but the services are not available to retail clients, and are therefore an economic benefit received in connection with giving advice to clients.

We have a soft dollar relationship with Stifel Investment Services in order to receive research. They only provide us with proprietary research. We will not use soft dollars generated by trading with Stifel to purchase third-party research. There is no threshold amount of commissions or number of trades required by Stifel in order to receive the soft dollar benefits.

Stifel provides thought leadership across the financial markets, offering valuable insights and actionable ideas to on market strategy, economics, equity, fixed income, and foreign exchange in the Americas, Europe and Asia. Their sector-based research teams analyze markets worldwide with a goal to be their clients' first call for investment ideas, longer-term thematic pieces and industry expertise. Their research analysts use a variety of methodologies and sources including surveys, industry contacts and public documents, as well as benefiting from perspectives from collaborations with other Stifel analysts following other industries, geographies and asset classes.

This use of soft dollars carries with it inherent conflicts of interest. The trades executed at Stifel cost Schwab clients a \$25 trade-away fee charged by Schwab. We do not receive any of this charge, but we do benefit because we do not have to produce or pay for the research we receive as a result of the trade. For this reason, we have an incentive to select Stifel to execute trades based on our interest in receiving the research. At this time, Schwab does not charge trading fees, so the commission charged by Stifel, in addition to the

trade-away fee charged by Schwab, will mean that the trade costs more. BCM believes the benefits received justify the commissions and trade away fees paid.

Since the trade-away fee is a flat rate, rather than tied to the size of the trade, the true cost of the fee will be lower for larger accounts (the fee will be a smaller percentage of the total cost of the trade). Because of this, only our largest accounts will be used to generate soft dollars. The research we receive will benefit all of our clients, even though only a small percentage of our clients will help pay for it.

In other words, soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations may be connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

We will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Transaction fees are determined by the broker and/or custodian and are the same whether or not the trade is blocked. Block trading may allow us to execute equity trades in a timelier, more equitable manner and at an average share price. We will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate the order of brokers through which we place trades for clients on any particular day. No client or account will be favored over another.

### **Item 13 – Review of Accounts**

Accounts may be reviewed as often as daily depending upon market and economic conditions, but no less than monthly.

Eric Barden, the Chief Investment Officer reviews accounts and has primary responsibility to select positions for client accounts. Ryan Barden, Chief Operations Officer, reconciles all of the client accounts daily, and may select positions to buy and sell based on investment models created by Eric Barden.

Clients receive from the custodian (Schwab), copies of all trade confirmations and an account statement including a position statement, the quarterly performance and the billing statement. Additionally, clients receive BCM's quarterly letter with the firm's latest views of the market.

As a fiduciary, we will invite the client at least annually to review the portfolio together.

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

BCM compensates certain individuals with whom it has signed referral fee agreements. BCM pays the solicitor a portion of the client's total advisory fee. The solicitor must provide referred clients a copy of BCM's written compensation disclosure statement. The solicitor must have in effect all registrations, licenses, bonds and approvals necessary for receiving compensation as a solicitor. The solicitor is not a partner or employee of BCM.

BCM does not receive compensation from any third parties for client referrals.

Douglas Arnest, a registered representative of BCM, provides structured settlement products as an outside business activity. The structured settlements provide Mr. Arnest with the opportunity to provide investment advice to clients by directing their settlement funds to BCM as advisory clients. These activities may result in actual or potential conflicts of interest. Additionally, Mr. Arnest receives referrals from various Trustees and other Trust service providers. There are no formal agreements that these referrals will obligate either party to use their respective services, but again, the potential conflicts of interest should be understood by BCM's clients.

#### **Item 15 – Custody**

The firm does not accept or maintain physical custody of any client funds or securities, however, due to its authorized ability to instruct the custodian to deduct BCM's management fees from client accounts, the firm has "constructive" custody. For accounts where BCM's fee is deducted from client accounts, BCM will have written authorization from the client for direct deductions, utilize custodians that send statements containing the amount of the funds deducted at least quarterly, and BCM will send a copy of the invoice to the client concurrently with instructing the custodian to deduct the management fee.

BCM urges you to carefully review custodial statements and compare such official custodial records to the reports and invoices that we may provide to you and promptly notify us of any discrepancies. Our reports and invoices may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

BCM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. We accept non-discretionary accounts for participant level 401(k) clients.

We provide an additional service for accounts not directly held in our custody, but where we do have discretion, and may leverage an Order Management System to implement tax-efficient asset location and opportunistic rebalancing strategies on behalf of the client. These are primarily 401(k) accounts, HSA's, and other assets we do not custody. We regularly review the available investment options in these accounts, monitor them, and rebalance and implement our strategies in the same way we do other accounts, though using different tools as necessary.

When selecting securities and determining amounts, BCM observes the investment policies, limitations and restrictions of the clients for whom it advises. For registered investment companies, BCM's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions (such as companies or industries that the client does not wish to own) must be provided to BCM in writing.

BCM has brokerage discretion. Please see Item 12 for more information.

## **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, BCM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. BCM may provide advice to clients regarding the clients' voting of proxies.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about BCM's financial condition. BCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.