

Strategent Financial, LLC

ADV Part 2A, Firm Brochure

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This Brochure provides information about the qualifications and business practices of Strategent Financial, LLC ("Strategent"). If you have any questions about the contents of this Brochure, please contact Dale S. Lam, Managing Member and Chief Compliance Officer, by telephone at (540) 437-1222 or by email at dalelam@strategentfinancial.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 Strategent is also available on the SEC's website at www.adviserinfo.sec.gov. You may search this site using a unique identifying number, known as a CRD number. Strategent Financial, LLC's CRD Number is 148173 and its SEC File number is 801-112356.

References to Strategent as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2: Summary of Material Changes

There have been no material changes to this ADV Part 2A Firm Brochure since the March 10, 2023 annual update filing.

Strategent's complete Form ADV may be requested at any time without charge, by contacting Dale S. Lam, Managing Member and Chief Compliance Officer, at 540-437-1222 or dalelam@strategentfinancial.com. You may also access Strategent's most recently filed Form ADV Parts 1, 2A, and Form CRS at the following link: <https://adviserinfo.sec.gov/firm/summary/148173>. Mr. Lam is available to address any questions about this Brochure, and particularly any conflicts of interest presented.

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Item 4: Advisory Business

Firm Description

Strategent Financial, LLC (“Strategent”) was founded in July 2008 by Dale S. Lam who is Strategent’s principal owner and Chief Compliance Officer. Strategent primarily provides wealth management services to individuals and families as described below. Strategent also provides advice to other entities such as pension and profit sharing plans, trusts, estates, and corporations.

Strategent is a fee-only financial services firm. Strategent does not make commissions from selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. Strategent is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder’s fees are accepted.

Types of Advisory Services

Strategent offers the following types of advisory services:

Wealth Management

Strategent’s primary service offering, “wealth management,” combines discretionary portfolio management and financial consulting about a broad range of topics such as: financial planning, tax efficiency, charitable gifting, estate considerations, college planning, risk / insurance management, wealth transfer and other special needs. This process includes development of a long-term financial strategy through the continuing, collaborative relationship with the client. This service is generally targeted towards accounts with a minimum of \$800,000 in assets under management with Strategent and fees are based on a percentage of the assets under management. When engaging Strategent to provide wealth management services, clients enter into an agreement setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the fee that is due from the client.

Strategent’s portfolio management is tailored to the individual needs of the client developed through personal discussions to establish short and long-term goals and investment objectives. Strategent develops each client’s personal investment plan and creates and manages a portfolio based on that policy. Strategent manages wealth management accounts on a discretionary basis only. Account supervision is guided by the agreed upon investment plan.

Strategent does not provide custody or other administrative services in connection with its wealth management services, except as indicated in Item 15 below. All client assets will be managed within their designated brokerage account or pension account held with a qualified custodian.

Financial Planning

On a limited basis, Strategent will agree to provide financial planning services to clients that are not wealth management clients according to the terms and conditions of a financial planning agreement. Financial planning services address the specific needs of

the client and may include any or all of the following areas of concern: personal financial planning, education planning, income tax and cash flow analysis, death and disability analysis, retirement planning, investment review, estate planning, and insurance analysis.

Depending on the service being provided, financial planning clients may receive a written report, providing a detailed financial plan designed to achieve their stated financial goals and objectives. If a client chooses to implement the recommendations of the financial planning service, Strategent suggests that clients work closely with their attorney, accountant, insurance agent, or other designated professionals. Implementation of the recommendations is entirely at the client's discretion.

Retirement Plan Advisory Services

Stragent offers retirement plan advisory services to company retirement plan sponsors organized under the Employee Retirement Income Security Act of 1974 ("ERISA"). Strategent offers to provide the following services in an ERISA Section 3(21) capacity to those plan sponsors under the terms and conditions of the retirement plan advisory agreement:

- Development and Updates to Investment Policy Statement ("IPS")
- Investment Recommendations
- Investment Monitoring and Performance Reporting
- Ongoing Investment Recommendation and Assistance
- ERISA 404(c) Assistance
 - Menu Diversification
 - Selection of Qualified Default Investment Alternative
- Communication and Education
 - Education Services to Plan Committee
 - Informational Meetings and Participant Education

Portfolio Construction Overview

Stragent will typically create a portfolio consisting of some combination of the following, depending on the particular needs of the client: no-load or load-waived mutual funds, exchange traded funds ("ETFs"), individual equities, bonds, certificates of deposit or other investment products. Strategent will allocate the client's assets among various investments taking into consideration the overall management style selected by the client. Mutual funds and ETFs will be selected on the basis of any or all of the following criteria: the asset class targeted by the fund, the fund's adherence to the stated investment goals, the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

Wrap Fee Programs

Strategent does not participate in a wrap fee program.

Assets Under Management

As of December 31, 2023, Strategent managed \$262,816,045 in client assets on a discretionary basis.

Miscellaneous Disclosures

ERISA / IRC Fiduciary Acknowledgment. When Strategent provides investment advice to a client about the client's retirement plan account or individual retirement account, it does so as a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act ("ERISA") and/or the Internal Revenue Code ("IRC"), as applicable, which are laws governing retirement accounts. Because the way Strategent makes money creates some conflicts with client interests, Strategent operates under a special rule that requires it to act in the client's best interest and not put its interests ahead of the client's. Under this special rule's provisions, Strategent must: meet a professional standard of care when making investment recommendations (give prudent advice); never put its financial interests ahead of the client's when making recommendations (give loyal advice); avoid misleading statements about conflicts of interest, fees, and investments; follow policies and procedures designed to ensure that Strategent gives advice that is in the client's best interest; charge no more than is reasonable for Strategent's services; and give the client basic information about conflicts of interest.

Retirement Plan Rollovers – No Obligation / Conflict of Interest. An investor leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Strategent recommends that a client roll over their retirement plan assets into an account to be managed by Strategent, such a recommendation presents a conflict of interest if Strategent will earn a new (or increase its current) advisory fee as a result of the rollover. Clients are not obligated to roll over retirement plan assets to an account managed by Strategent.

Limitations of Financial Consulting Services. Strategent does not serve as a law firm, accounting firm, or insurance agency, and no portion of Strategent's services should be construed as legal, accounting, or insurance implementation services. Unless specifically agreed in writing, Strategent and representatives are not responsible to implement any financial plans or financial planning advice, provide ongoing financial planning services, or provide ongoing monitoring of financial plans or financial planning advice. Strategent's financial planning and consulting services are completed upon communicating its recommendations to the client, upon delivery of the written financial plan, or upon termination of the applicable agreement. Clients retain absolute discretion over all financial planning and related implementation decisions and are free to accept or reject any recommendation from Strategent and its representatives in that respect. Upon specific request, Strategent may recommend the services of other professionals for

certain non-investment implementation purposes (e.g., attorneys, accountants, or insurance agents). Clients are not obligated to engage any recommended professional to provide services, who are responsible for the quality and competency of the services they provide.

Dimensional Fund Advisors: Strategent may allocate client investment assets to mutual funds and ETFs issued by Dimensional Fund Advisors (“DFA”), some of which are generally only available through selected registered investment advisers. Therefore, upon the termination of Strategent’s services, a client may experience restrictions on the transfer, additional purchases, or reallocation among DFA funds.

Portfolio Trading Activity / Inactivity. As part of its investment advisory services, Strategent will review client portfolios on an ongoing basis to determine if any trades are necessary based upon various factors, including but not limited to investment performance, market conditions, fund manager tenure, style drift, account additions/withdrawals, the client’s financial circumstances, and changes in the client’s investment objectives. Based upon these and other factors, there may be extended periods when Strategent determines that upon review, trades within a client’s portfolio are not prudent. Clients nonetheless remain subject to the fees described in Item 5 during periods of portfolio trading inactivity.

Client Obligations. When performing its services, Strategent is not required to verify any information received from the client or from the client’s designated professionals and is expressly authorized to rely on that information. Clients are responsible to promptly notify Strategent if there is ever any change in their financial situation or investment objectives for the purpose of reviewing or amending Strategent’s services or previous recommendations, or if they are not receiving at least quarterly statements from their account custodian.

Item 5: Fees and Compensation

Compensation

Wealth Management Fees

Strategent bases its wealth management fees on a percentage of assets under management. Wealth management services are generally designed for portfolios with a minimum of \$800,000 in assets under management. The minimum wealth management annual fee is \$10,000.

The wealth management fee is charged for the total client relationship on a tiered basis as follows:

<u>\$ Portfolio Size</u>	<u>Annual Wealth Management Fee</u>
First \$2,000,000	1.00%
From \$2,000,001 to \$3,000,000	0.80%
From \$3,000,001 to \$4,000,000	0.70%
From \$4,000,001 to \$5,000,000	0.60%
From \$5,000,001 to \$6,000,000	0.40%
Remaining Assets Over \$6 million	0.30%

Unless otherwise agreed in writing, all cash and cash equivalent positions are included as part of assets under management for purposes of calculating wealth management fees, which are for advisory services only and do not include any transaction fees or commissions. Wealth management fees are payable quarterly in advance. The first payment is due and payable upon receipt of the managed securities and is assessed on a pro-rata basis for partial calendar quarters. Subsequent payments are due on the first day of the calendar quarter and will be based on the value of the portfolio as of the last day of the previous calendar quarter. When calculating market value for billing purposes, Strategent generally includes accrued earnings (such as accrued interest on individual fixed income securities).

For existing clients after initial portfolio funding is completed, for cumulative additions and withdrawals to the total client relationship exceeding \$50,000 in one day, fees will be charged (additions) or credited (for withdrawals) based on the pro-rata portion of the quarter remaining. No charges or credits will be made for cumulative daily additions or withdrawals equal to \$50,000 or below during the calendar quarter due to the immaterial nature of the associated fee.

Clients generally authorize Strategent to instruct the custodian to deduct advisory fees directly from the client account in accordance with statements prepared and submitted to the custodian by Strategent. The client may elect to pay Strategent directly for the advisory fees, but this is rare and not our preferred method of payment.

Financial Planning Fees

Fees for financial planning services are billed at the hourly rate of \$250. The fee is due and payable upon completion of the service.

Retirement Plan Advisory Fees

Retirement plan advisory fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the retirement plan advisory agreement. Fees are charged at an annual rate based on the market value of assets in the retirement plan on the last day of the prior quarter. The minimum annual fee is \$5,000.

The retirement plan advisory fees are charged on a tiered basis as follows:

<u>\$ Portfolio Size</u>	<u>Retirement Plan Advisory Fee</u>
First \$1,000,000	0.75%
From \$1,000,001 to \$2,000,000	0.60%
Remaining Assets Over \$2,000,000	0.45%

Strategent may also offer a fixed annual rate instead of an asset-based fee. Fees are negotiable at the sole discretion of Strategent and are typically based on the size and complexity of the services provided to the retirement plan.

Retirement plan advisory fees will be calculated by the retirement plan recordkeeper and automatically deducted from each plan participant's account or paid directly by the sponsoring employer.

General Fee Disclosures

Strategent may negotiate the scope of services and fees in limited circumstances by reducing its standard fee, charging a flat fee, waiving its fees entirely, or charging fees on a different interval, based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, complexity of the engagement, anticipated services to be rendered, grandfathered fee schedules, employees and family members, courtesy accounts, competition, negotiations with client, etc.). Strategent may also agree to aggregate account values for related clients (such as spouses and minor children sharing the same residence) for the purpose of reducing the overall fee. Certain legacy clients may have accepted different pre-existing service offerings and may therefore receive services under different fee schedules than as set forth above. Therefore, similarly situated clients could pay different fees, the services to be provided by Strategent to any particular client could be available from other advisers at lower fees, and certain clients may have fees different than those specifically set forth above.

Either party may terminate an agreement for services provided by Strategent without penalty, upon written notice to the other. If termination occurs before the end of a calendar quarter, a pro-rata refund of unearned fees will be made to client.

Financial Planning Services – Upon advance written notice, either party may terminate the agreement for financial planning services (or other financial consultations) at any time and will be invoiced for fees due based on time and effort expended before termination. The agreement for the financial plan terminates upon delivery of the plan. Because Strategent does not charge for financial planning services in advance, it does not issue refunds with respect to these services.

Retirement Plan Advisory Services - Strategent is compensated for its retirement plan advisory services in advance of the calendar quarter in which advisory services are rendered. Either party may terminate the retirement plan advisory agreement upon receipt of ten (10) days advanced written notice to the other party. The Client shall be responsible for advisory fees up to and including the effective date of termination. Upon termination, Strategent will refund any unearned, prepaid retirement plan advisory fees from the effective date of termination to the end of the quarter.

Other Fees in Connection with Advisory Services

Broker-Dealer/Custodian Charges and Fees. As described in Item 12 below, clients are required to maintain their managed accounts with a designated broker-dealer/custodian. Broker-dealers charge transaction fees for executing certain securities transactions according to their fee schedule and they or their affiliated or unaffiliated custodians impose additional charges for custodial services and other fees associated with maintaining the client's account. The amount of the commissions and transaction fees may vary depending upon the following factors: the broker-dealer/custodian utilized; the amount of assets under management or custodied; the type of asset (e.g., equity, ETF, mutual fund, fixed income product); and whether clients receive their account statements electronically or by hard copy. Without limiting the foregoing, clients may be required to pay certain charges and administrative fees related to their investment advisory accounts, including, but not limited to transaction charges (including mark-ups and mark-downs) resulting from trades executed through or with a broker-dealer other than the designated broker-dealer/custodian, transfer taxes, transfer or wiring fees, odd lot differentials, exchange fees, interest charges, American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law or otherwise agreed to with regard to client accounts.

Expense Ratios. For mutual fund and ETF purchases, clients will incur charges imposed by the respective fund, which represent the client's pro rata share of the fund's management fee and other fund expenses. These fees and expenses are described in each fund's prospectus or other offering documents. Strategent does not share in those funds or expenses. These fees are in addition to the fees paid by the client to Strategent.

Commissions. Neither Strategent nor any of its supervised persons (employees) accept compensation for the sale of securities or other investment products.

Item 6: Performance-Based Fees and Side-by-Side Management

Neither Strategent nor any of its supervised persons (employees) is a party to any performance or incentive-related compensation arrangements with its clients.

Item 7: Types of Clients

Types of Clients

Strategent's primary clients include individuals and families. Strategent also provides advice to other entities such as pension and profit sharing plans, trusts, estates, and corporations, as may be reflected on ADV Part 1, Item 5.D., which can change over time.

Account Minimums

Strategent's services are designed for relationships with a minimum account size of \$800,000. Should an account fall below \$800,000 in value, the minimum annual fee of \$10,000 is charged. The minimum annual fee for retirement plan services is \$5,000. Based on the imposition of minimum fees, clients may pay a higher percentage annual fee than referenced in Item 5 above.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Strategent generally emphasizes modern portfolio theory and asset class selection in its investment strategy. For security analysis and selection, Strategent may use information from investment managers, financial service companies, data base companies, financial journals, government sources, Morningstar research software, the Internet, corporate rating services, annual reports, prospectuses, and SEC filings.

Investment Strategies

Strategent primarily employs strategic asset allocation for client accounts based upon the objectives stated and agreed to by the client during consultations. Strategent uses modern portfolio theory, concentrating on long term performance through considerations of return correlations, standard deviations (risk) and expected returns of asset classes chosen for the portfolio. Strategent also typically recommends using global diversification to minimize the risk of investing in only one country or market.

Modern portfolio theory assumes that investors are risk adverse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on the individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Strategent primarily recommends the use of no-load institutional class mutual funds, with an emphasis on low costs while achieving the desired returns of the targeted asset class. Investment manager's adherence to the stated investment objections is a primary objective, along with considerations on the tax efficiency of the fund. Strategent also

allocates investment assets to ETFs, individual equities, individual bonds, and unaffiliated private investment funds in limited circumstances.

Strategent does not recommend that clients use margin loans for investment purposes. However, if a client determines to take a margin loan that collateralizes a portion of the assets that Strategent is managing, Strategent's investment advisory fee will be computed based upon the full value of the assets, without deducting the amount of the margin loan.

Pledged Asset Planning Strategies

Without limiting the above, upon specific client request and generally in a financial planning context, Strategent may help clients evaluate and establish a pledged asset loan ("PAL") with the client's broker-dealer/custodian or their affiliated banks (each, a "PAL Lender") to access cash flow. Unlike a real estate-backed loan, a PAL could provide access to funds in a shorter period of time, providing greater repayment flexibility, and may also result in the borrower receiving certain tax benefits. Clients interested in learning more about the potential tax benefits of PALs should consult an accountant or tax advisor. The terms and conditions of each PAL are contained in a separate agreement between the client and the PAL Lender selected by the client, which terms and conditions may vary from client to client. PALs are not suitable for all clients and is subject to certain risks, including but not limited to: increased market risk, increased risk of loss, especially in the event of a significant downturn; liquidity risk; the potential obligation to post collateral or repay the PAL if the PAL Lender determines that the value of collateralized securities is no longer sufficient to support the value of the PAL; the risk that the PAL Lender may liquidate the client's securities to satisfy its demand for additional collateral or repayment / the risk that the PAL Lender may terminate the PAL at any time. Before agreeing to participate in a PAL program, clients should carefully review the applicable PAL agreement and all risk disclosures provided by the PAL Lender including the initial margin and maintenance requirements for the specific program in which the client enrolls, and the procedures for issuing "margin calls" and liquidating securities and other assets in the client's accounts.

If Strategent recommends that a client apply for a PAL instead of selling securities that Strategent manages for a fee to meet liquidity needs, the recommendation presents an ongoing conflict of interest because selling those securities (instead of leveraging those securities to access a PAL) would reduce the amount of assets to which Strategent's investment advisory fee percentage is applied, and thereby reduce the amount of investment advisory fees collected by Strategent. Likewise, the same ongoing conflict of interest is present if a client determines to apply for a PAL on their own initiative. These ongoing conflicts of interest would persist as long as Strategent has an economic disincentive to recommend that the client terminate the use of PALs. If the client were to invest any portion of the PAL proceeds in an account that Strategent manages, Strategent will receive an advisory fee on the invested amount, which could compound this conflict of interest. If a client accesses a PAL through its relationship with Strategent and the client's relationship with Strategent is terminated, clients may incur higher (retail) interest rates on the outstanding loan balance. Clients are not under any obligation to employ the use of PALs, and are solely responsible for determining when to use, reduce, and terminate the use of PALs. Although Strategent seeks to disclose all conflicts of interest

related to its recommended use of PALs and related business practices, there may be other conflicts of interest that are not identified above. Clients are therefore reminded to carefully review the applicable PAL agreement, and all risk disclosures provided by the PAL Lender as applicable and contact Strategent's Chief Compliance Officer with any questions about the use of PALs.

Risk of Loss

All investment programs, including those of Strategent, have certain risks that are borne by the investor. Investing in securities involves risk of loss that clients should be prepared to bear, including the loss of principal investment. Past performance does not guarantee future results. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and investment strategies recommended or undertaken by Strategent) will be profitable or equal any specific performance levels. Investment strategies such as asset allocation, diversification, or rebalancing do not assure or guarantee better performance and cannot eliminate the risk of investment losses. There is no guarantee that a portfolio employing these or any other strategy will outperform a portfolio that does not engage in such strategies. While asset values may increase and client account values could benefit as a result, it is also possible that asset values may decrease, and client account values could suffer a loss. While each type of security has its own unique set of associated risks, the following provides a non-exhaustive description of the risks commonly associated with investing in the types of securities in which Strategent invests client assets, or with respect to the investment management process:

- **Interest Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy or a declining market value.
- **Options Contracts Risk:** Investments in options contracts have the risk of losing value in a relatively short period of time. Option contracts are leveraged instruments that allow the holder of a single contract to control many shares of an underlying stock. This leverage can compound gains or losses.
- **Margin Borrowings Risk:** The use of short-term margin borrowings may result in certain additional risks to a Client. For example, if securities pledged to brokers to secure a Client's margin accounts decline in value, the Client could be subject to a "margin call", pursuant to which it must either deposit additional funds with the broker or be the subject of mandatory liquidation of the pledged securities to compensate for the decline in value.
- **Mutual Fund Risk:** Mutual funds are operated by investment companies that raise money from shareholders and invest it in stocks, bonds, and/or other types of securities. Each fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. Mutual funds charge a separate management fee for their services, so the returns on mutual funds are reduced by the costs to manage the funds. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market. Mutual funds come in many varieties. Some invest aggressively for capital appreciation, while others are conservative and are designed to generate income for shareholders. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives).
- **Exchange Traded Fund Risk:** ETFs are marketable securities that are designed to track, before fees and expenses, the performance or returns of a relevant index, commodity, bonds, or basket of assets, like an index fund. Unlike mutual funds, ETFs trade like common stock on a stock exchange. ETFs experience price changes throughout the day as they are bought and sold. In addition to the general risks of investing, there are specific risks to consider with respect to an investment in ETFs, including, but not limited to: (i) an ETF's shares may trade at a market price that is above or below its net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally.

- **Cash and Cash Equivalent Risk:** Strategent may hold a portion of client's assets in cash or cash equivalent positions (such as but not limited to money market funds) typically for defensive and liquidity purposes. Investments in these assets may cause a client to miss advances in the markets, and Strategent's investment advisory fee may exceed the interest income from a cash or cash equivalent position. Clients can advise Strategent not to maintain (or to limit the amount of) cash or cash equivalent positions in their account.
- **Private Investment Fund Risk:** While Strategent does not currently recommend that clients allocate investment assets to private investment funds, certain clients may continue to hold those investments in their accounts. Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike liquid investments that a client may own, private investment funds do not provide daily liquidity or pricing. Each prospective investor will be required to complete a Subscription Agreement, according to which the investor must establish that they are qualified for investment in the fund, and that they acknowledge and accept the various risk factors that are associated with such an investment.
- **Cybersecurity Risk:** The information technology systems and networks that Strategent and its third-party service providers use to provide services to Strategent's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in Strategent's operations and result in the unauthorized acquisition or use of clients' confidential or non-public personal information. Clients and Strategent are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses, including for example: financial losses, cost, and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although Strategent has established its systems to reduce the risk of cybersecurity incidents from coming to fruition, there is no guarantee that these efforts will always be successful, especially considering that Strategent does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar adverse consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators, or other financial institutions.

Item 9: Disciplinary Information

Strategent does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Strategent is not registered as a broker-dealer, and none of its management persons are registered representatives of a broker-dealer.

Neither Strategent nor any of its management persons is registered as (or associated with) a futures commissions merchant, commodity pool operator, or a commodity trading advisor.

Affiliations

Neither Strategent nor any of its management persons have a material relationship or arrangement with any related person in the financial industry.

Other Business Activities

Strategent and Mr. Lam also provide business consultation services to Clients on an ad-hoc basis. This service is done separately and apart from Strategent's advisory services. Mr. Lam may receive compensation for when services are rendered. Clients are under no obligation to implement or engage Mr. Lam or the Advisor for business consultation services.

Other Investment Advisors

Strategent does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Strategent employees must comply with a Code of Ethics (the "Code") and the Prohibition of Insider Trading policy. The Code describes Strategent's high standard of business conduct and fiduciary duty to its clients. The policies' key provisions include:

- The fundamental Principles of openness, integrity, honesty, and trust
- Compliance with state and applicable federal securities laws
- Protection of Material Nonpublic Information
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Requirement to maintain confidentiality of client information

Dale S. Lam, Managing Member and Chief Compliance Officer, reviews all employee trades each quarter. These reviews ensure that personal trading does not affect the markets, and that clients of Strategent receive preferential treatment. Since most

employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

All employees of Strategent must acknowledge the terms of the Code of Ethics at least annually.

Clients and prospective clients can obtain a copy of Strategent's Code of Ethics by contacting Dale S. Lam.

Participation or Interest in Client Transactions

Strategent and its employees may buy or sell securities identical to those recommended to customers for their personal portfolios. Strategent maintains a list of restricted securities that employees may not purchase or sell based upon having (or possibly having) access to inside information.

Employees are required to put the best interests of the client first. Employees must comply with the Code and the Prohibition of Insider Trading policy. The Code contains provisions reasonably necessary to deter misconduct and conflicts of interest and to detect any violation.

Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross

Strategent does not recommend investments to clients in which Strategent or any of its employees have a material financial interest. Examples of a "material financial interest" for the purposes of this section would be if Strategent or an employee, as principal, were to buy securities from or sell securities to our clients; if Strategent or an employee were to act as general partner in a partnership in which Strategent would solicit client investments; or if Strategent or an employee were to act as an investment adviser to an investment company (e.g., a mutual fund) that Strategent would also recommend to clients. Strategent and its employees do not engage in those activities.

Without limiting the above, Strategent will not affect any principal or agency cross securities transactions for client accounts. Strategent will also not cross trades between client accounts.

Item 12: Brokerage Practices

Recommendation of Custodians

If a client requests that Strategent recommend a broker-dealer/custodian for execution or custodial services, Strategent generally recommends that investment management accounts be maintained with Charles Schwab & Co., Inc. ("Schwab").

Before engaging Strategent to provide investment management services, clients enter into an agreement with Strategent setting forth the terms and conditions for the management of their assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian such as Schwab. Depending on which broker-dealer/custodian clients select to maintain their account, they may experience differences in customer service, transaction timing, the availability of sweep account vehicles and

money market funds, and other aspects of investing that could cause differences in account performance.

When seeking “best execution,” from a broker-dealer, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution when considering the full range of a broker-dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Although Strategent cannot guarantee that clients will always experience the best possible execution available, Strategent seeks to recommend a broker-dealer/custodian that will hold client assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. Strategent considers a wide range of factors when recommending a broker-dealer/custodian, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear and settle trades (buy and sell securities for client accounts);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.);
- Quality of services (including research);
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength, and stability; and
- Prior service to Strategent and its other clients.

Schwab is compensated for its services according to its fee schedule (which may vary), generally by charging clients commissions or other fees on trades that it executes or that settle into their Schwab account. Although Strategent will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for all client account transactions. The fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Strategent’s investment advisory fees. In an attempt to minimize client trading costs, Strategent generally directs Schwab to execute most if not all trades for client accounts. When doing so, Strategent has determined that having Schwab execute those trades is consistent with the duty to seek “best execution” of client trades.

Research and Other Benefits

While Strategent does not receive traditional “soft dollar benefits,” Strategent and by extension, its clients receive access to certain institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. Schwab also makes various support services available to Strategent. Some of those services help Strategent manage or administer its clients’ accounts; while others help it manage and grow its business. Schwab’s support services generally are available on an unsolicited basis (Stragent does not have to request them) and at no charge to Strategent.

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which Strategent might not otherwise have access or that would require a significantly higher minimum initial investment by its clients. These services benefit Strategent's clients and their accounts.

Schwab also makes other products and services available to Strategent that benefit Strategent but may only indirectly benefit its clients or their accounts, such as investment research developed by Schwab or third parties that Strategent may use to service clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements);
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- Provide pricing and other market data;
- Facilitate payment of our fees from other clients' accounts; and
- Assist with back-office functions, recordkeeping, and client reporting.

Schwab may offer other services intended to help Strategent manage and further develop its business. These services include:

- Educational conferences and events;
- Consulting on technology, compliance, legal and business needs;
- Publications and conferences on practice management and business succession; and
- Access to employee benefits providers, human capital consultants, and insurance providers.

Schwab may provide some of these services itself. In other cases, Schwab will arrange for third-party vendors to provide the services to Strategent. Schwab may discount or waive their fees for some of these services or pay all or a part of a third party's fees. Schwab can also provide occasional business meals and entertainment for Strategent's personnel.

The availability of the services and products described above that Strategent receives from Schwab (the "Services and Products") provides Strategent with an advantage, because Strategent does not have to produce or purchase them. However, Strategent does not have to pay Schwab or any other entity for Services and Products that Schwab provides. Strategent's clients do not pay more for investment transactions executed or assets maintained at Schwab as a result of this arrangement. The receipt of Services and Products is not contingent upon Strategent committing any specific amount of business to Schwab in trading commissions or assets in custody. There is no corresponding commitment made by Strategent to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific securities or investment products as a result of the above.

This arrangement nonetheless incentivizes Strategent to recommend that clients maintain their account with Schwab, based on its interest in receiving services that benefit its business rather than based on clients' interest in receiving the best value in custody

services and the most favorable execution of their transactions. This presents a conflict of interest. When making such a recommendation, however, Strategent does so when it reasonably believes that recommending Schwab to serve as broker-dealer/custodian is in the best interests of its clients. It is primarily supported by the scope, quality, and price of Schwab's services and not Schwab's services that only benefit Strategent.

Brokerage for Client Referrals

Strategent does not receive client referrals from broker/dealers.

Directed Brokerage

Strategent does not generally accept directed brokerage arrangements (when a client requires that account transactions be executed through a specific broker-dealer). In those client-directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Strategent will not seek better execution services or prices from other broker-dealers. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. If the client directs Strategent to execute securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to execute account transactions through alternative clearing arrangements that may be available through Strategent. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed after the execution of portfolio transactions for non-directed accounts.

Trade Aggregation

Strategent does not typically aggregate or "block" trades, because most of Strategent's trades are in mutual funds or exchange-traded funds where trade aggregation would not serve to benefit its clients. Therefore, Strategent will generally execute account transactions for each client independently.

In extremely limited circumstances, Strategent could determine to purchase or sell the same securities for several clients at approximately the same time by aggregating / block trading the orders. Strategent would only do so to seek best execution, to receive more favorable commission rates, or to equitably allocate differences in prices and commissions or other transaction costs among Strategent's clients that might have been obtained if the orders were placed independently. Under this procedure, transactions would be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Strategent would not receive any additional compensation as a result. Strategent's allocation procedure seeks to be fair and equitable to all clients with no particular group or clients being favored or disfavored over any other clients or employees.

Item 13: Review of Accounts

Wealth Management Services – Reviews

Strategent's representatives, under the supervision of Dale S. Lam, Managing Member and Chief Compliance Officer, review client portfolios at least quarterly for adherence to the stated investment plan and for selection of securities.

The review includes comparing the portfolio and current security positions with the goals and objectives as outlined by the investment plan, reviewing changes to the client's investment circumstances, evaluating the specific holdings, and re-balancing the portfolio if appropriate.

Review Triggers

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

Reporting

At least quarterly but generally each month, the client's account custodian provides clients with an account statement for each client account, which may include individual holdings, cost basis information, deposits, and withdrawals, accrued income, dividends, and performance. In addition, the custodian provides clients with trade confirmations for each position bought and sold.

Strategent also provides clients with a written quarterly report including an account statement that identifies the current positions as of the reporting date, the current value, capital contributions and withdrawals, and percentage weighting within the portfolio of each security. A performance summary is also provided for the portfolio during the most recent quarter, year-to-date, and twelve-month cycle.

Financial Planning Services – Reviews and Reporting

Financial planning and consulting clients will be reviewed as contracted for at the inception of the engagement, with reviews and reports generally only performed once.

Item 14: Client Referrals and Other Compensation

Other Compensation – Brokerage Arrangements

Strategent receives economic benefits from Schwab as described in Item 12, including free or discounted support services or products.

Strategent's clients do not pay more for investment transactions effected and/or assets maintained at Schwab as a result of this arrangement. There is no corresponding commitment made by Strategent to Schwab or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities, or other investment products as a result of the above arrangement.

Compensation – Client Referrals

Strategent does not maintain solicitor arrangements/pay referral fee compensation to non-employees for new client introductions.

Item 15: Custody

Custody – Fee Debiting

Strategent does not accept or maintain physical custody of any client accounts. However, Strategent is authorized to debit fees directly from the client's account at the broker dealer, bank, or other qualified custodian ("Custodian") and may also be deemed to have custody based upon the services described under the "Custody-Standing Letters of Authorization" section below. All clients must place their investment assets with a qualified custodian. Client investment assets will be held with a Custodian agreed upon by the client and Strategent. The Custodian is advised in writing of the limitation of Strategent's access to the account. The Custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Strategent.

Custody – Account Statements

Strategent encourages clients to carefully review the account statements they receive from the Custodian and compare those records to the account statements or other reports that Strategent provides. However, statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Custody – Standing Letters of Authorization

Strategent provides other services on behalf of its clients that require disclosure at ADV Part 1, Item 9. In particular, certain clients have signed asset transfer authorizations that permit the Custodian to rely upon instructions from Strategent to transfer client funds to "third parties." In accordance with the guidance provided in the SEC Staff's February 21, 2017 Investment Adviser Association No-Action Letter, the affected accounts are not subjected to an annual surprise CPA examination.

Item 16: Investment Discretion

Through an agreement, Strategent generally accepts limited power of attorney to act on a discretionary basis on behalf of clients. A limited power of attorney allows Strategent to execute trades on behalf of clients. Clients may choose to open non-discretionary accounts with Strategent. In those cases, client approval will be obtained before any security is bought or sold.

Employee sponsored retirement plans such as 401k plans are not handled on a discretionary basis. In these cases, Strategent provides investment guidance to the plan sponsor and investment education to the plan participants, but the participants have discretion over their own individual investment selection.

When discretionary authority exists between Strategent and the client, Strategent has the authority to determine, without obtaining specific client consent, both the amount and type of securities to be bought to satisfy client account objectives. Additionally, Strategent may accept any reasonable limitation or restriction to such authority on the account placed by the client. All limitations and restrictions placed on accounts must be presented to Strategent in writing. Strategent reserves the right to refuse to open an account or terminate an account if it believes that the restrictions placed on it are excessive.

Item 17: Voting Client Securities

Strategent does not accept proxy-voting responsibilities for any Client. Clients will receive proxy statements directly from the Custodian or issuer. While Strategent may assist clients in answering their direct questions relating to proxies, the Client retains the sole responsibility for proxy decisions and voting.

Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted; and (2) making all elections, decisions, and filings relative to any mergers, acquisitions, tender offers, bankruptcy proceedings, class actions, or other type actions or events pertaining to the client's investment assets.

Item 18: Financial Information

Strategent does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. Strategent is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts. Strategent has not been the subject of a bankruptcy petition.

Strategent's Chief Compliance Officer, Dale S. Lam, is available to address any questions about this Brochure, and particularly any conflicts of interest presented.