

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. 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 Financial, LLC 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.

References herein to Strategent Financial, LLC 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 20, 2017 Annual Amendment Filing. However, Strategent Financial, LLC has transitioned from state to SEC registration, and has therefore removed Item 19 from this ADV Part 2A.

Full Brochure Available

Stragent Financial, LLC's 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@stragentfinancial.com or by going 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.

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Item 4: Advisory Business

Firm Description

Strategent Financial, LLC (“Strategent” or the “Firm”) was founded in July 2008 by Dale S. Lam. Mr. Lam is the sole owner of the firm, which primarily provides wealth management services to individuals and families. The firm 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. The firm does not make commissions from selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm 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

Wealth Management is the primary service offered by Strategent. A long term financial strategy is developed through the continuing, collaborative relationship with the client. This integrated service includes discretionary portfolio management and 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 service is generally targeted towards accounts with a minimum of \$800,000 in assets under management with the firm and fees are based on a percentage of the assets under management.

Strategent’s portfolio management is based on the individual needs of the client developed through personal discussions in which goals and objectives are established. Strategent develops a client’s personal investment plan and creates and manages a portfolio based on that policy. Strategent will manage wealth management accounts on a discretionary basis only. Account supervision is guided by the agreed upon investment plan.

Strategent will provide wealth management services and will not provide custody of securities or other administrative services except as indicated in Item 15 below. All client assets will be managed within their designated brokerage account or pension account, pursuant to the agreement.

Financial Planning

On a limited basis, Strategent will provide financial planning services to clients that are not wealth management clients of the Firm. 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 the client work closely with his/her attorney, accountant, insurance agent, and/or financial advisor. Implementation of the recommendations is entirely at the client's discretion.

Retirement Plan Advisory Services

Strategent provides retirement plan advisory services to the sponsors of company retirement plans. Strategent serves as a 3(21) Fiduciary in support of the sponsoring employer. Strategent provides the following Plan Fiduciary Services pursuant to the terms of the Advisor's agreement with each sponsoring employer:

- 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 - Strategent provides Communication and Education to the Plan and its Participants, pursuant to the terms of the Advisor's agreement with each sponsoring employer:

- Education Services to Plan Committee
- Informational Meetings and Participant Education

Portfolio Construction Overview

Strategent will 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 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.

In certain limited cases, Strategent may provide investment advice regarding unaffiliated private investment funds. Strategent, on a non-discretionary basis, may also recommend that certain qualified clients consider an investment in unaffiliated private investment funds. Strategent's role relative to the private investment funds shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become a private fund investor, the amount of assets invested in the fund(s) shall be included as part of "assets under management" for purposes of Strategent calculating its investment advisory fee. Strategent's clients are under absolutely no obligation to consider or make an investment in a private investment fund(s).

Risk Factors: 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 client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Valuation: In the event that Strategent references private investment funds owned by the client on any supplemental account reports prepared by Strategent, the value(s) for all private investment funds owned by the client shall reflect the most recent valuation provided by the fund sponsor. If no subsequent valuation post-purchase is provided by the Fund Sponsor, then the valuation shall reflect the initial purchase price (and/or a value as of a previous date), or the current value(s) (either the initial purchase price and/or the most recent valuation provided by the fund sponsor). If the valuation reflects initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than original purchase price. The client's advisory fee shall be based upon reflected fund value(s).

Wrap Fee Programs

Strategent does not participate in a wrap fee program.

Assets Under Management

As of December 31, 2017, Strategent managed \$117,251,022 in client assets on a discretionary basis.

Miscellaneous Disclosures

Limitations of Consulting/Implementation Services. To the extent specifically requested by the client, Strategent may provide limited consultation services to its clients related to investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither Strategent, nor any of its representatives, serves as an attorney, accountant, or insurance agent and no portion of Strategent's services should be construed as legal, accounting, or insurance implementation services. Accordingly, Strategent does not prepare estate planning documents or tax returns on behalf of clients, nor does it sell insurance products. To the extent requested by a client, Strategent may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Strategent. If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional.

Client Obligations. In performing its services, Strategent shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains the client's responsibility to promptly notify Strategent if there is ever any change in the client's financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Strategent's previous recommendations and/or services.

Retirement Plan Rollovers – No Obligation / Potential for Conflict of Interest. A client or prospective client 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 creates a conflict of interest if Strategent will earn a new (or increase its current) advisory fee as a result of the rollover. To the extent that Strategent recommends that clients roll over assets from their retirement plan to an IRA managed by Strategent, then Strategent represents that it and its investment adviser representatives are fiduciaries under the Employee Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both. No client is under any obligation to roll over retirement plan assets to an account managed by Strategent. Strategent's Chief Compliance Officer, Dale S. Lam, remains available to address any questions that a client or prospective client may have regarding the conflict of interest presented by such a rollover recommendation.

ERISA / IRC Fiduciary Acknowledgment. If the client is: (i) a retirement plan (“Plan”) organized under ERISA; (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, with authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an IRA acting on behalf of the IRA; or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code: then Strategent represents that it and its representatives are fiduciaries under ERISA or the Internal Revenue Code, or both, with respect to any investment advice provided by Strategent or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Use of Mutual Funds. While Strategent may recommend allocating investment assets to mutual funds that are not available directly to the public, Strategent may also recommend that clients allocate investment assets to publicly-available mutual funds that the client could obtain without engaging Strategent as an investment adviser. However, if a client or prospective client determines to allocate investment assets to publicly-available mutual funds without engaging Strategent as an investment adviser, the client or prospective client would not receive the benefit of Strategent’s initial and ongoing investment advisory services. Other mutual funds, such as those issued by Dimensional Fund Advisors (“DFA”), are generally only available through selected registered investment advisers. Strategent may allocate client investment assets to DFA mutual funds. Therefore, upon the termination of Strategent’s services to a client, restrictions regarding transferability and/or additional purchases of, or reallocation among DFA funds will apply. In addition, Dale S. Lam, Managing Member and Chief Compliance Officer’s son is employed by DFA. However, Mr. Lam’s son does not have a working relationship Strategent. There is no connection between Mr Lam’s son’s compensation and the amount of assets Strategent allocates to DFA, nor is there a connection between Mr. Lam’s son’s employment with DFA and Strategent’s selection of DFA funds for its clients when it deems it appropriate.

Portfolio Activity. Strategent has a fiduciary duty to provide services consistent with the client’s best interest. As part of its investment advisory services, Strategent will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, 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 of time when Strategent determines that changes to a client’s portfolio are neither necessary nor prudent. Notwithstanding, there can be no assurance that investment decisions made by Strategent will be profitable or equal any specific performance level(s).

Cash Positions. Depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), Strategent may maintain cash and cash equivalent positions (such as money market funds) for defensive and liquidity purposes. Unless otherwise agreed in writing, all such

cash positions are included as part of assets under management for purposes of calculating Strategent's advisory fee.

Investment Risk. 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/or investment strategies recommended or undertaken by Strategent) will be profitable or equal any specific performance level(s).

Item 5: Fees and Compensation

Compensation

Wealth Management Fees

Stragent 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 schedule is as follows:

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

Wealth management fees 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 the calendar quarter and will be based on the value of the portfolio as of the last day of the previous calendar quarter.

Once the account is established, for additions to the account over \$50,000 and withdrawals from the account of over \$50,000, 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 additions or withdrawals below \$50,000 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 Financial, LLC. The client may elect to pay Strategent directly for the advisory fees, but this is generally rare.

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 Plan on the last day of the prior quarter. The minimum annual fee is \$5,000.

The retirement plan advisory fees are as follows:

<u>\$ Portfolio Size</u>	<u>Retirement Plan Advisory Fee</u>
First \$1,000,000	0.75%
Next \$1,000,000	0.60%
Over \$2,000,000	0.45%

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

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

General Fee Disclosures

In limited circumstances at the discretion of Strategent, the scope of services and fees may be negotiated. Fees may be waived or reduced for advisory personnel or employees. The Firm does not collect fees of \$500 or more for services to be performed six months or more in advance.

Either party may terminate an agreement for services provided by Strategent without penalty (full refund) within (5) business day of signing an agreement. After the first five days, advanced written notice is required to terminate the agreement for wealth management services. If termination occurs prior to 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. At this time no refunds will be made.

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, the Advisor will refund any unearned, prepaid retirement plan advisory fees from the effective date of termination to the end of the quarter. The Client's retirement plan services agreement with the Advisor is non-transferable without the Client's written approval.

Other Fees

Strategent's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. 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 ETFs also charge internal management fees, which are disclosed in a fund's prospectus.

To access broader bond inventory and research on behalf of its clients, Strategent may purchase or liquidate bonds in its clients' accounts through an executing broker. The executing broker delivers the bonds to the custodian for the clients' account on a payment for delivery basis (or on a trade away basis if the bonds are being sold). The custodian charges a trading fee to the client account for the transaction, but there are no additional markups incurred by the client on the bond trading. Strategent at no time retains ownership of the assets.

Such charges, fees and commissions are exclusive of and in addition to Strategent's fee, and Strategent shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Strategent considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation.

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by the client to Strategent.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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) accepts performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Strategent does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Types of Clients

Strategent's primary clients include individuals and families. The firm also provides advice to other entities such as pension and profit sharing plans, trusts, estates, and corporations. The relative percentage of each type of Client is available on Strategent's Form ADV Part 1. These percentages will change over time.

Account Minimums

Strategent's Wealth Management 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.

In limited circumstances at the discretion of Strategent, the scope of services and fees may be negotiated. Fees may be waived or reduced for advisory personnel or employees. Fees are not collected for services to be performed more than six months in advance.

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 filings with the Securities and Exchange Commission (SEC).

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation based upon the objectives stated and agreed to by the client during consultations. Modern portfolio theory is utilized, concentrating on long term performance through

considerations of return correlations, standard deviations (risk) and expected returns of asset classes chosen for the portfolio. Global diversification is recommended 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. Please refer to Item 4 above with respect to the additional risk and valuation issues presented by private investment funds.

In rare circumstances, only when appropriate to the needs of the client, Strategent may recommend the use of margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated tolerance for risk.

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 may not be indicative of 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/or investment strategies recommended or undertaken by Strategent) will be profitable or equal any specific performance level(s). 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. Without limiting the above, Strategent's clients generally face the following investment risks:

- **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, bond, or mutual fund 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 and/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.

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 separate 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.

Dale S. Lam serves on the Board of Directors for Shenandoah Telecommunications, Inc., a publicly traded company in Edinburg, Virginia. Because of his position of confidence with Shenandoah Telecommunications, Dale S. Lam will abstain from providing any investment advice on the public stock of this company.

This activity consumes less than 5% of Mr. Lam's time.

Other Investment Advisors

Strategent does not recommend or select other investment advisors 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 the Firm’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 the Firm 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 at 540-437-1222.

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. The Firm 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 and its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Strategent’s policy that the Firm 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 Custodian(s)

In the event that the client requests that Strategent recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Strategent to use a specific broker-dealer/custodian), Strategent generally recommends that investment management accounts be maintained at TD Ameritrade, Inc., member FINRA/SIPC ("TD Ameritrade").

Strategent participates in the TD Ameritrade Institutional Services program, a division of TD Ameritrade. Clients may pay transaction fees to TD Ameritrade for the purchase of "no-load" or load-waived funds. Through TD Ameritrade, Strategent has access to an electronic communications network for client order entry and account information; access to the trading desk, and; receipt of duplicate client confirms and statements. TD Ameritrade also makes available other non-cash consideration for non-research products and services that benefit Strategent but may not benefit its clients' accounts. Some of these other products and services assist Strategent in managing and administering clients' accounts. These include software and other technology that provide access to client account data, facilitate trade execution, pricing information and market data, assistance with back-office support, recordkeeping, and client reporting including consolidated statements. TD Ameritrade may also provide other services (or offer discounts on services provided by third party vendors) intended to help Strategent manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing.

Before engaging Strategent to provide investment management services, the client will be required to enter into a formal agreement with Strategent setting forth the terms and conditions under which Strategent shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Strategent considers in recommending TD Ameritrade (or another broker-dealer/custodian) include historical relationship with Strategent, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Strategent's clients shall comply with Strategent's duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Strategent determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Strategent will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Strategent's investment management fee. Strategent's best

execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Non-Soft Dollar Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Strategent receives from TD Ameritrade (or could receive from another broker-dealer/custodian, vendor, unaffiliated investment manager, investment platform and/or fund sponsor including DFA) without cost (and/or at a discount) support services and/or products, certain of which assist Strategent to better monitor and service client accounts maintained at such institutions. The support services that Strategent can obtain may include investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or free consulting services, discounted or free travel expenses and attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware or software and/or other products used by Strategent in furtherance of its investment advisory business operations.

Certain of the support services and/or products that Strategent can receive may assist Strategent in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Strategent to manage and further develop its business enterprise. The receipt of these support services and products presents a conflict of interest, because Strategent has the incentive to recommend that clients utilize TD Ameritrade as a broker-dealer/custodian based upon its interest in continuing to receive the above-described support services and products, rather than based on a client's particular need. However, Strategent's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by Strategent TD Ameritrade 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.

Some investment sponsors provide due diligence events for financial advisors considering their products. The sponsors may provide expense reimbursement for travel and meal expenses for the due diligence events, but reimbursement is not contingent on the use of the investments. Dimensional Fund Advisors provides practice management advice and services to advisors interested in the services and information. Strategent generally pays for travel expenses to participate in conferences provided by Dimensional Fund Advisors.

Brokerage for Client Referrals

Strategent does not receive client referrals from broker/dealers.

Directed Brokerage

TD Ameritrade provides Strategent with access to its institutional trading and custody services, which are typically not available to TD Ameritrade retail investors. These services generally are available to independent investment advisors approved to be on

TD Ameritrade's institutional platform at no charge to them. These services are not otherwise contingent upon Strategent committing to TD Ameritrade any specific amount of business (assets in custody or trading commissions). TD Ameritrade's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Strategent client accounts maintained in its custody, TD Ameritrade generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through TD Ameritrade or that settle into TD Ameritrade accounts.

Client Directed Brokerage

The client may direct Strategent to use a particular broker-dealer to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that broker-dealer, and Strategent will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by Strategent. By directing brokerage, 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. Not all advisers require or allow their clients to direct brokerage.

Trade Aggregation

Strategent does not typically aggregate or block trades as most trades are mutual funds or exchange-traded funds where trade aggregation does not typically obtain any client benefit.

On limited occasions, block trades may occur for client accounts and accounts for Strategent or its employees may be included in the block trade with client accounts. When this aggregation occurs, it is generally for fixed income trades. Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security. All clients participating in each aggregated order shall receive the average price and subject to minimum ticket charges, pay a pro-rata portion of commissions.

Strategent's allocation procedure seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients or employee(s).

Item 13: Review of Accounts

Wealth Management Services – Reviews

Strategent, under the supervision of Dale S. Lam, Managing Member and Chief Compliance Officer, and Abram J. Shearer, Associate, reviews client portfolios 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

Each month, the 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

As referenced in Item 12 above, Strategent receives economic benefits from TD Ameritrade, including support services and/or products without cost or at a discount, that benefit Strategent but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Strategent accounts, including accounts not maintained at TD Ameritrade.

TD Ameritrade's products and services that assist Strategent in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii)

facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Strategent fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Strategent's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as a result of this arrangement. There is no corresponding commitment made by Strategent to TD Ameritrade 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

Neither Strategent nor any related person of Strategent directly or indirectly compensates any person for client referrals.

Item 15: Custody

Custody – Fee Debiting

Strategent does not accept or maintain custody of any client accounts, except to debit fees directly from the client's account at the broker dealer, bank or other qualified custodian ("Custodian"). 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

As described above, clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian (custodian) that holds and maintains the client's investment assets. Clients are urged to carefully review such statements and compare such official custodial records to the account statements or other reports that Strategent provides. Strategent 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 qualified 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

With the exception of certain legacy Clients, Strategent does not accept proxy-voting responsibilities for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

Item 18: Financial Information

Stragent 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.