



SENTRY, LLC
555 Perkins Ext, Suite 400
Memphis, TN 38117
(901) 820-0515 Telephone
(901) 820-0517 Facsimile
www.sentryllc.com

Form ADV Part 2 – Disclosure Brochure

Effective: March 23, 2016

This brochure provides information about the qualification and business practices of [Sentry, LLC](#). If you have any questions about the contents of this brochure, please contact us at [\(901\) 820-0515](tel:9018200515), or by email at jmorrison@sentryllc.com.

Sentry, LLC is a registered Investment Adviser with the U.S. Securities and Exchange Commission. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission, or by any state securities authority. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about [Sentry, LLC](#) is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Annual Update

Sentry, LLC is providing this information as part of our annual updating amendment which contains material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 23, 2015.

Material Changes since the Last Update

There have been no material changes to Sentry, LLC since the last updated brochure dated March 23, 2015:

Full Brochure Availability

The Firm Brochure for Sentry, LLC is available by contacting (901) 820-0515.

Table of Contents

Material Changes	2
Annual Update.....	2
Material Changes since the Last Update	2
Full Brochure Availability	2
Advisory Business.....	5
Firm Description and Principal Owners:.....	5
Types of Advisory Services.....	5
Asset Management.....	5
Fees and Compensation	5
Description	5
Expense Ratios/Other Fees.....	6
Performance-Based Fees	6
Types of Clients.....	7
Description	7
Account Minimums.....	7
Methods of Analysis, Investment Strategies and Risk of Loss	7
Methods of Analysis.....	7
Risk of Loss	8
Disciplinary Information	9
Legal and Disciplinary	9

Other Financial Industry Activities and Affiliations	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Code of Ethics	9
Participation or Interest in Client Transactions.....	10
Personal Trading	10
Brokerage Practices	11
Selecting Brokerage Firms.....	11
Order Aggregation/Best Execution	11
Review of Accounts	12
Periodic Reviews/Review Triggers	12
Regular Reports	13
Client Referrals and Other Compensation.....	13
Custody	13
Account Statements.....	13
Investment Discretion	14
Discretionary Authority for Trading/Limited Power of Attorney	14
Voting Client Securities	14
Proxy Votes.....	14
Financial Information	14

Advisory Business

Firm Description and Principal Owners:

Sentry, LLC was formed in May, 2009 and registered with the SEC on June 24, 2009. The Firm was formed for the sole purpose of providing superior investment advisory services to individuals, families and institutions. The Principals have been in the investment business for combined 65 years.

The Principals for Sentry, LLC are Joseph McCaughan Morrison, CFA and John D. Glass, JD.

Types of Advisory Services

The services offered by Sentry include: (1) creation of written goals and investment guidelines; (2) asset allocation studies to determine appropriate investment strategies for achieving the stated goals for each client; (3) searches, selection and retention of appropriate investment vehicles retained for implementing the client's investment strategy; (4) periodic performance monitoring and evaluation to ensure that selected investment vehicles remain true to assigned client mandates and that each strategy remains in line with the particular client's investment guidelines; (5) special projects as requested by a client; and (6) management of investors' investments on a discretionary basis. Sentry provides investment consultation and management services to high net worth individuals, their trusts and estates, charitable organizations and qualified plans. Each of our services is customized to the client's needs. Therefore, we do not manage "model" portfolios. Each client can instruct us to avoid trading a security, industry or investment vehicles if so desired.

Asset Management

As of December 31, 2015, Sentry, LLC had \$1,186,247,438 in total assets under management. These assets are designated as \$533,077,664 in discretionary assets and \$653,169,774 in non-discretionary assets.

Fees and Compensation

Description

Fees are asset based on the market value of the account. The maximum fee charged by Sentry will be 1.0% of assets under management and may be reduced depending upon the particular client's portfolio

mix, portfolio size, specific service needs or for any reason Sentry's management deems reasonable. Fees may be fixed dollar amounts or may be expressed as a percentage of assets. In some cases, Sentry will charge a fixed fee that will generally be a minimum of \$15,000 per annum.

Fees are billed and deducted in arrears from the client's account on a monthly or quarterly basis depending upon the particular client. Monthly and quarterly billings are based on average market valuations.

Sentry's fees may be negotiated with a client depending upon the level of service needed, the size of the account, the frequency of reports and meetings, the difficulty of obtaining the necessary information, and travel and time expected to deliver the services.

Expense Ratios/Other Fees

Clients are responsible for all trading costs including, but not limited to, mutual fund expenses, commissions, taxes and other costs incurred by the investment decisions made by Sentry, LLC on the client's behalf. Some clients utilize third party SMA's (Separately Managed Accounts) and/or alternative investments which charge additional management/performance fees which the client is responsible for and is outside the scope of Sentry's fee arrangement with the client. Please refer to Page **Error! Bookmark not defined.** for additional information on Sentry's brokerage practices.

Neither Sentry, LLC nor any of its supervised persons accept compensation for the sale of securities or other investment products.

Performance-Based Fees

Sentry, LLC does not participate in performance/incentive based fees. Some investment vehicles (third party managers, not affiliated with Sentry, LLC) utilized by some of Sentry's clients do incorporate performance/incentive based fees as a part of the vehicles overall fee. These fees are separate from Sentry's fees and therefore, Sentry has no control or discretion over these fees. These fees should be fully disclosed in the investment vehicle's Offering Memorandum or other appropriate information source from the third party manager.

Types of Clients

Description

Sentry provides investment consultation and management services to high net worth individuals, family trusts and estates, charitable organizations and qualified plans.

Account Minimums

The minimum size of an account to be opened or maintained is \$5,000,000 unless waived by Sentry.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Sentry understands that the nature of investing includes risk. This risk includes potential loss of capital or principal. Sentry cannot guarantee there will be no loss of principal, but Sentry utilizes quantitative and qualitative analysis to construct portfolios to minimize risk.

Quantitatively, Sentry uses statistical analysis to attempt to minimize risk by investments and overall portfolio. Sentry utilizes state of the art software to analyze individual securities, mutual funds, SMA's, hedge funds (alternative investments), variable annuities and other investments to determine the risk profiles and investment characteristics to be considered for a portfolio. Many statistical metrics are used to determine the appropriateness of an investment for a specific account. These statistics include, but are not limited to, standard deviation, annualized return, alpha, beta, r^2 , downside risk, up/down capture, drawdowns, Sharpe ratio, tracking error, and other metrics. Sentry will analyze annual, cumulative and rolling periods to simulate various market conditions to stress test investments. Sentry understands that a volatile asset by itself may not be a good investment, but this same asset may be a very good investment when combined with other assets and asset classes. In fact, the addition of a risky asset to a diversified portfolio could make the portfolio more efficient (higher alpha).

Qualitatively, Sentry is constantly searching for global trends and movements that need to be considered when managing investment portfolios. Sentry follows exchange rates, interest rates, political actions (domestically and globally) and other exogenous events that may impact the capital markets.

Risk of Loss

Although Sentry, LLC makes every effort to preserve each client's capital and achieve real growth of wealth, investing in the stock and fixed income markets involves risk of loss that each client should be prepared to bear. Specifically:

Risks of stock investing

Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The value of a stock in which a fund invests may decline due to general weakness in the stock market or because of factors that affect a company or a particular industry.

Risks of bond investing

Bonds have two main sources of risk. *Interest rate risk* is the risk that a rise in interest rates will cause the price of a debt security held by the fund to fall. Securities with longer maturities typically suffer greater declines than those with shorter maturities when rate rise. Mortgage-backed securities can react somewhat differently to interest rate changes because falling rates can cause losses of principal due to increased mortgage prepayments and rising rates can lead to decreased prepayments and greater volatility. *Credit risk* is the risk that an issuer of a debt security will default (fail to make scheduled interest or principal payments), potentially reducing income distributions and market values. This risk is increased when a security is downgraded or the perceived creditworthiness of the issuer deteriorates.

Foreign investing risk

This is the risk that the fund's investments in foreign securities may be adversely affected by political and economic conditions overseas, reduced liquidity, or decreases in foreign currency values relative to the U.S. dollar.

Risks associated with Future and Option Contracts

The market for one commodity may, at present, be highly volatile, perhaps because of supply-demand uncertainties which depending on future developments could suddenly propel prices sharply higher or

sharply lower. Future and option contracts also have the risk of liquidity meaning there can be no assurance that, at all times, a liquid market will exist for offsetting a contract that was previously bought or sold.

Disciplinary Information

Legal and Disciplinary

There are no Legal or Disciplinary events to report for Sentry or any of the supervised persons.

Other Financial Industry Activities and Affiliations

Sentry and its supervised persons are not involved in other financial industry activities nor does Sentry have any industry related affiliates.

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

Code of Ethics

Sentry has adopted a Code of Ethics (the "Code") that emphasizes the high standards of conduct that the firm has always sought to observe. The Code consists of general principles that are understood to govern the personal investment activities of the firm's personnel, in particular its access persons, Sentry's fiduciary duty to clients, and the obligation of Sentry's personnel to uphold that fundamental duty. The Code states that the interests of Sentry's clients come first. The Code describes Sentry's policies and procedures pertaining to personal securities transactions and the giving and accepting of gifts and entertainment.

The Code requires each Sentry access person to report:

- (1) at the time the employee is hired and on an annual basis thereafter, all securities accounts and "reportable securities" in which the access person has a beneficial ownership; and
- (2) on a quarterly basis, all "reportable securities" transactions in which the access person has a beneficial ownership.

The Code defines "reportable securities" in accordance with the Investment Advisers Act rules pertaining to codes of ethics. The Code requires Sentry access persons to obtain the consent of Sentry's Chief Compliance Officer prior to:

- executing any transactions in securities in an initial public offering or in a limited offering (e.g., private placements); and
- opening a new securities account.

On an annual basis, all Sentry employees are required to execute an acknowledgement of their duty of loyalty to the firm's clients and the placement of client interests first and foremost before their own. By signing this document, each employee also acknowledges that he/she will not participate in insider trading and will report his/her trading activity and holdings as applicable.

Sentry employees should not accept gifts or other gratuities from clients or individuals seeking to conduct business with the firm without prior authorization from the Chief Compliance Officer or Chief Operating Officer. Gifts and gratuities of a value not exceeding \$100 do not require prior authorization.

Employees are not to divulge or act upon any material, non-public information, as defined under relevant securities laws and in the firm's Code.

Clients or prospective clients may obtain a copy of Sentry's Code of Ethics by contacting the firm by email at jmorrison@sentryllc.com or telephone at (901) 820-0515.

Participation or Interest in Client Transactions

Occasionally, a supervised person may purchase or sell securities at or around the same time one of Sentry's clients purchases or sells a security. In general this potential conflict is handled by either the supervised person's trade being executed after the client's trade or Sentry will utilize a block trade order to ensure the fairness to all involved.

Personal Trading

As mentioned above in the Summary of the Code of Ethics, Sentry and its related persons may have invested, and may continue to invest, their personal funds in investments similar to those recommended by

Sentry or money managers recommended by Sentry for the management of client assets. Sentry's Code serves to limit conflicts of interest in these cases through transaction monitoring.

Brokerage Practices

Selecting Brokerage Firms

Sentry may from time to time suggest broker-dealers for transaction services. The criteria for suggesting a broker-dealer include reasonableness of commissions and other costs of trading, ability to facilitate trades, access to client records, computer trading support, access to various execution venues, block trading capacity, operational considerations and the ability to execute sophisticated financial transactions. There will be no soft dollar costs imposed on clients by broker-dealers and thus clients will not incur costs for the value of products, research or services provided to Sentry. To the extent clients do not have existing custodial arrangements, Sentry has arranged, as an accommodation, the option of opening a custody account with Fidelity. In these circumstances, Fidelity would be serving as the client's custodian. Clients who seek to use this option will enter into a separate custodial agreement with Fidelity.

Order Aggregation/Best Execution

At times it may be advantageous for an adviser to "bunch" (or "block") orders in order to obtain better execution or more favorable terms for clients. With respect to this process, all firm personnel should be working towards the goal of ensuring that clients are treated in a fair and equitable manner with respect to the firm's trading practices and allocation procedures. Generally, a client would expect to receive some economic benefit when the firm aggregates trades. These benefits typically manifest themselves in lower per share execution costs as a result of the larger trade size involved.

When bunching trades, proper procedures must be followed regarding order execution and allocation of securities (or proceeds of sale) among client accounts involved. Basic rules are as follows:

- Allocation policies should be clearly disclosed to all clients in the firm's client contracts. This includes allocation priorities in situations where partial executions may occur. A pro-rata split of the shares sold will be made if in the event a block order is not completely filled.
- Orders may be bunched where it permits best execution and provides a clear benefit to the participating clients.
- Bunching must be consistent with the advisory contract signed by each client.
- Certain clients may not be favored over others who would equally benefit.

- Participating clients should be clearly identified in advance, along with the method of allocation (which should then be consistently applied). Any change in allocation methods must be pre-approved by the Chief Compliance Officer and communicated to any clients affected.
- Separate books and records must be kept reflecting the transactions for each client. In addition, books and records must be maintained evidencing the rationale for any deviations in the firm's stated allocation policies.
- Cash and/or securities should not be held collectively.
- Advisers should not receive any benefit from bunched transactions.
- Clients must receive individualized advice as to their participation in bunched trades.

The adviser will either block any accounts in which it or any of its principals has a proprietary interest, including general partner interests in investment partnerships or trade after clients.

Sentry has established bunching and allocation procedures, as described above, for the purposes of obtaining best execution on behalf of its clients.

Review of Accounts

Periodic Reviews/Review Triggers

Client reviews are tailored to the desired frequency of the particular client and occur typically on a monthly or quarterly basis. Generally, client reviews entail a comparison of performance to market and peer group benchmarks as well as established goals and adherence to risk tolerance guidelines. Other factors subject to review may include brokerage allocation, securities overlap among money managers, or investment style adherence. Factors which may trigger a special review include, but are not limited to, investment committee meeting dates, market conditions, internal events such as a merger or sale, or changes in investment objectives such as underlying investor demographics or inheritance issues.

The firm's consultants are principally responsible for the investment reviews of the clients assigned to the particular consultant. Consultants, and Sentry's support staff, are provided with on-going training and are encouraged to enroll in continuing education such as CFA, CFP, CIMA and MBA programs.

Regular Reports

Sentry, LLC sends out a Securities Holding Report on a quarterly basis. Performance Reports are created for clients who request performance. Performance Reports are based on Sentry's market values as reflected in the Securities Holding Reports. Returns are calculated using the Dietz Formula for time weighted rates of return. These reports can be created on a month or quarter end basis.

Client Referrals and Other Compensation

Sentry does not pay any fees for client referral.

Custody

Account Statements

Sentry, LLC does not have custody of client assets. For clients who have custody assets at Fidelity Investments, Fidelity sends either monthly or quarterly statements to the account holder according to the client's preference. Also, the custodian sends tax information required by law in a timely manner.

Clients are urged to compare the reports provided by Sentry to those provided by the Custodian, Fidelity. There can be minor discrepancies between the Sentry report and Fidelity due to the following factors for month end period:

	Sentry Reports	Fidelity Statements
Fixed Income & Accrued Income	Yes	Yes, but different pricing source
Dividends On due Date	Yes	When Received, but back dated to due date and is reflected on the following month's statement if received after the end of the month
Trade Date for Trades	Yes	No, Settlement Date

Investment Discretion

Discretionary Authority for Trading/Limited Power of Attorney

When an investor becomes a client, he or she will execute an Investment Advisory Agreement with Sentry, LLC. This Agreement gives Sentry investment authority or Limited Power of Attorney to make purchases and sales for a given account. With regard to those portfolios over which Sentry exercises discretion, Sentry makes the determination of which appropriate investment vehicles to retain and terminate without specific client consent. Portfolios are managed to conform to the particular client's investment policy or needs. The principals and associated persons of Sentry shall have no right to withdraw either cash or securities from a client's account except for fees owed to Sentry under the account agreement.

Voting Client Securities

Proxy Votes

Sentry, LLC does not vote proxies for its clients. The clients receive proxy solicitations directly from the companies they are invested in or from Fidelity. Clients may contact Sentry should they have any questions regarding their proxy votes.

Financial Information

Sentry does not obtain more than \$1,200 fees six months in advance and therefore is not required to provide an audited financial statement. Sentry is also not subject to any bankruptcy petition.