**Part 2A of Form ADV: Firm *Brochure***

Item 1 Cover Page


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This Brochure has not been verified by the United States Securities and Exchange Commission or any state securities authority.

Additional information about DM Hess Investments is also available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Material Changes

The brochure has been amended from previous versions.

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## Item 4 Advisory Business

DM Hess Investments is co-owned by David Hess and Michael Hess. We advise clients on bond and equity investments.

We currently manage portfolios totalling approximately $105 million.

DM Hess Investments has been in business since 1999.

Item 5 Fees and Compensation

Our fees are negotiable on a case by case basis, but the following shows our current structure, and ranges therein:

Investors who have us manage their equities, build bond portfolios, or both get charged based on total assets under management. The rate varies based on the size, and complexity, but generally falls within the range of 0.25% - 0.75%. DM Hess Investments bills clients directly on a quarterly basis.

Investors who invest in our partnerships get charged only if the partnership is up. We receive 20% of net profits up to 30% of the opening capital balance for the period, plus 35% of such net profits exceeding 30% of the opening capital balance for the period, but not greater than 50% of such opening capital, and plus 50% of such net profits exceeding 50% of the opening capital balance of the partnership for the period. These fees are deducted from clients' accounts annually.

Investors directly or indirectly pay all brokerage fees.

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

As mentioned in section 5, investors that invest in our partnerships get charged based on performance. We do not feel that there are any conflicts of interest due to this fee structure.

Item 7 Types of *Clients*

All clients are accredited investors defined as follows:

1- Investors either have a net worth of over one million dollars ($1,000,000).

or

2- Investors have an annual income in excess of two hundred thousand dollars ($200,000) for each of the past two years.

DM Hess Investments advises individuals, trusts, and limited partnerships.

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

DM Hess Investments does its own research and does not depend on any outside publications or research. Our strategies change depending on the current market environment. Our focus is limiting our downside risk. However, each investment that we make can potentially result in significant losses.

Investing in securities involves risk of loss.

## Item 9 Disciplinary Information

DM Hess Investments, its affiliates, and owners have never been subject to any legal or disciplinary event.

## Item 10 Other Financial Industry Activities and Affiliations

DM Hess Investments does not have any material relationships or conflicts of interests with related financial industry participants.

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

Brief summary of DM Hess Investments code of ethics (a copy is available upon request):

DM Hess Investments is dedicated to honesty, integrity, and fairness in conducting its business. Company objectives will be achieved while complying with laws and regulations and adhering to generally accepted business standards.

DM Hess Investments may make similar investments for any or all of its clients, and its principals may also make similar type investments. Clients interests are fulfilled before management makes investments for themselves.

## Item 12 Brokerage Practices

DM Hess Investments selects its brokers based on their costs, performance, and long term relationships. We do not have conflicts of interest that arise from soft dollar benefits. We try to transact trades on the cheapest possible basis for our clients.

DM Hess Investments does not use brokers for client referrals.

## Item 13 Review of Accounts

DM Hess Investments reviews its clients' accounts on a daily basis. Clients for whom we manage their portfolio get a written quarterly report. Clients that invest in our partnerships get a written report annually that includes a K1, and also receive either monthly or quarterly statements directly from qualified custodians holding their assets.

## Item 14 *Client* Referrals and Other Compensation

DM Hess Investments does not compensate others for client referrals.

Item 15 *Custody*

Clients receive statements directly from qualified custodians, and the statements should be reviewed carefully. At this time Pershing Advisor Solutions, LLC, and BNY Mellon Capital, LLC are the two main companies that provide Custody for our clients. Bank of America, Morgan Stanley, TD Ameritrade, Wedbush, and Wells Fargo to a smaller degree also provide custody.

Furthermore, based on rule 206(4)-2(d)(2) of the Investment Advisers Act of 1940, DM Hess Investments also has custody over clients' assets, and rules are in place to ensure the assets are maintained in an appropriate manner.

## Item 16 Investment Discretion

DM Hess Investments has discretion on the accounts it manages. Annually, a general plan is discussed with each investor. It is then executed at the advisors discretion. Movement of assets via check, wire, journal or otherwise, must be approved by the investor.

## Item 17 Voting *Client* Securities

Proxy voting is handled by DM Hess Investments on behalf of its investors. If there is ever a conflict of interest then we consult with the client, and allow them to vote their own proxy. Clients can obtain information on how DM Hess voted their securities at any time, and will receive a written copy whenever requested.

Item 18 Financial Information

DM Hess Investments does not have any financial condition that would be likely to impair the adviser's ability to meet contractual commitments to clients. DM Hess Investments has not been subject of a bankruptcy petition during the past 10 years.

Item 19 Requirements for State-Registered Advisers

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