

Sentry Management, Inc.

Form CRS Customer Relationship Summary 12/31/22

Introduction: Sentry Management Inc. is registered with the Securities and Exchange Commission (SEC) as an investment adviser. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker/dealers, investment advisers, and investing.

Relationships and Services: Sentry Management, Inc. is a fee-based investment advisor. Sentry's principal advisory service for retail investors is in fixed income, and we create portfolios based on our client's needs and specifications. **Monitoring:** Sentry utilizes Hilltop Holdings fixed income portfolio system to monitor yields, average life, credit information and other relevant information monthly, and also monitors cash at various safe-keeping institutions for our clients. **Investment Authority:** In Sentry's retail accounts, Sentry has discretionary authority to execute trades as an agent for our clients based on the strategy we establish at the accounts opening. **Limited Investment Offerings:** Sentry's expertise is in fixed income. We purchase municipals or taxable securities for clients depending on the type of account, and all purchases are investment grade. **Account Minimums and Other Requirements:** Sentry's stated minimum account fee for individuals is \$3000 per year and there are not account size minimums.

Additional Information: More specific information about our fee schedule for discretionary accounts and detailed information about our firm may be found at:

<https://reports.adviserinfo.sec.gov/reports/ADV/107379/PDF/107379.pdf>

Conversation Starters: Below are questions a retail investor should ask a financial professional:

- (i) **Given my financial situation, should I choose a brokerage service?** Sentry is a financial advisor and has a fiduciary responsibility to act in our client's best interest. Broker dealers may take positions and act in their own best interest. We are not affiliated with any broker dealer, and always compare offerings to ensure best execution.
- (ii) **Given my financial situation, should I choose an investment advisory service?** Sentry is an investment advisor, so we act in the client's best interest and all of our accounts are fee based only.
- (iii) **How will you choose investments to recommend for me?** Sentry utilizes 50 different broker dealers and puts them in competition to ensure we execute at the best available market price. Sentry determines your investment parameters based on tax rate, investment horizon, credit specifications and also only invests in investment grade or higher securities. Most investments we purchase for retail accounts are rated A or higher.
- (iv) **What is your relevant experience, including licenses, education and other qualifications?** Sentry has been a registered investment adviser since 1991, and the three advisors have combined experience in fixed income of approximately 115 years. Murphy Davis Sr. graduated from Rice University, is a Chartered Financial Analyst and has a Series 7 and Series 63. Niley Church has an MBA from Dallas Baptist University and a Series 7 and Series 63. Murphy Davis, Jr. has an MBA from Texas Christian University and has a Series 7 and Series 65. In addition, Sentry Management is a Municipal Advisor to municipalities, and Murphy Davis, Sr. has a Series 50, Murphy Davis, Jr. a Series 50 and Series 52.

Fees, Costs, Conflicts and Standard of Conduct:

A. What Fees will I pay?

- (i) **Description of Fees and Costs-** Sentry charges a flat fee to retail clients, and our fee is charged quarterly based on assets under management. Although our fee schedule shows .0035% as our base fee, we may negotiate a lower fee for retail investors. B. 1) There may be other fees incurred by Sentry's clients such as safe-keeping (custodial fee where bonds are kept) fees, but Sentry does not share in these fees and the costs are imposed by the custodian. Sentry will review any custodian agreement at the client's request. 2) Since Sentry charges an asset based fee, the higher the amount of assets, the more retail customers will be charged, so Sentry has an incentive to increase assets under management.
- (ii) **Description of Other Fees and Costs-** Sentry only charges a flat fee for retail investors.
- (iii) **Additional Information-** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investment over time. Please make sure you

understand the fees and costs you are paying. A sample fee structure may be found in our brochure in part 5:
[https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?
BRCHR_VRSN_ID=800716](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=800716)

B. Standard of Conduct

- (i) When we act as your investment adviser, we have to act in your best interest and always put your best interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts of interest because they can affect the investment advice we provide you.
- (ii) An example of a conflict of interest is our relationship with CAPIS: Sentry maintains a soft-dollar agreement with Capital Institution Services (CAPIS) to provide Bloomberg terminals for execution of transactions and general economic/fixed income research. Although Sentry receives soft dollar benefits for Bloomberg services and could have a conflict of interest in recommending CAPIS, Sentry applies the same standard on every transaction to put the client's best interest first. After researching the market among all broker dealers, transactions are only executed if CAPIS ties or beats other available offers. We only execute with CAPIS if their offer ties or beats other brokers in competition, we do run deficits and make up any shortcomings for Bloomberg services. Bloomberg is the premier platform for fixed income research and execution, and all clients benefit from the use of the service.
- (iii) How might conflicts of interest affect me and how will you address them? Sentry may use CAPIS to execute new issue callable agency trades if they are the best available option. Sentry checks the new issue and secondary fixed income before every trade and we always execute at the best price. Most of our retail accounts are municipal accounts and we do not execute any municipal trades through CAPIS.
- (iv) Additional Information may be found in our brochure:
[https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?
BRCHR_VRSN_ID=800716](https://files.adviserinfo.sec.gov/IAPD/Content/Common/crd_iapd_Brochure.aspx?BRCHR_VRSN_ID=800716)

C. How do your financial professionals make money?

- (i) Sentry's financial professionals are all paid a salary and use a team approach to manage all clients. We are not compensated in any kind of non-cash payment and the salaries are not based on any external factors

Discipline History

Do you or your financial professionals have a legal or disciplinary history? Yes

SENTRY MANAGEMENT, INC. (SMI) IS REGISTERED & REGULATED BY THE SEC, HOWEVER, SMI ALSO REGISTERS BY NOTIFICATION WITH THE TEXAS STATE SECURITIES BOARD (THE BOARD). BEGINNING DEC. 31, 2002, THE SEC REQUIRED ALL ADVISERS TO FILE ELECTRONICALLY ONLY THEN REDISTRIBUTE THE FILING TO CO-REGISTERING AGENCIES (THE BOARD). WE CONTINUED TO TIMELY FILE AND REGISTER EACH YEAR (03-05) WITH THE SEC ASSUMING ALL OUR FILINGS WERE PASSED ON TO CO-REGISTRATION AGENCIES (THE BOARD). WE RECEIVED CORRESPONDENCE FROM THE BOARD ON MAY 18, 2006 THAT WHILE THE FIRM'S REGISTRATION INFORMATION HAD BEEN PASSED ON TO THE BOARD, THE REQUIRED INFORMATION ON THE FIRM'S INVESTMENT ADVISERS HAD NOT BEEN TRANSMITTED. THIS MEANT THAT THE COMPANY WAS REGISTERED, BUT THE ADVISERS WERE NOT FOR THE 3 YEARS SINCE THE REQUIRED ELECTRONIC FILING. THE NON-FILING (REGISTRATION) WITH THE STATE WAS DIRECTLY ATTRIBUTABLE TO A PROBLEM WITH THE ELECTRONIC FILING CONVERSION. EVEN THOUGH WE HAVE BEEN TIMELY FILING EACH YEAR, THE COMPUTER SYSTEM HAS NOT BEEN SENDING THE INFORMATION ON TO THE BOARD. THE FOLLOWING IS ALSO MATERIAL: 1. WE RECEIVED A NOTICE FROM THE BOARD, DATED OCT. 24, 2002, WHICH STATED RENEWAL NOTICES WOULD NO LONGER BE MAILED TO OUR FIRM, "ALL FEES DUE FOR RENEWAL WILL BE COLLECTED BY THE NASD THROUGH THE CRD/IARD SYSTEMS," AND "NOTICE FILED INVESTMENT ADVISERS WILL NO LONGER RECEIVE CERTIFICATES OF AUTHORIZATION." 2. SINCE THE 2002 NOTICE WAS CONSISTENT WITH THE "ELECTRONIC-ONLY" SEC FILING, WE TOOK NO ADDITIONAL ACTION AND FELT WE WERE IN FULL COMPLIANCE WITH ALL APPLICABLE REGISTRATION REQUIREMENTS. WE DO NOT DISAGREE WITH THE "FINDINGS OF FACTS" BY THE BOARD, HOWEVER, WE STRONGLY DISAGREE WITH THE STATE'S REPRIMAND FOR AN UNINTENTIONAL AND WIDESPREAD ELECTRONIC CONVERSION PROBLEM IN TEXAS. I REQUESTED THAT NO ORDER BE PLACED AGAINST OUR RESPECTIVE NAMES FOR THIS CLEARLY CONFUSING TRANSITION FROM MAIL FILINGS TO COMPULSORY ONLINE FILINGS, BUT THE BOARD CHOSE TO ISSUE THE ORDER. Sentry is no longer required to register with the state and only registers with the SEC.

You may go to Investor.gov/crs for a free search tool to research the firm and your financial professionals.

Additional Information:

- A) You can find additional information in our brochure (linked in this summary above) on our website at www.sentrymanagement.com or by emailing murph@sentrymanagement.com
- B) You may call 940-696-2100 to request up-to-date information and the Relationship Summary
- C) Who is my primary contact person? Murphy Davis Jr.
Murphy Davis Jr is an investment adviser, and you may contact Murphy Davis Sr with any concerns about Murphy Davis Jr.