



**Registered Investment Advisor**

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**Form ADV Part 2A  
Firm Brochure  
April 2, 2024**

This brochure provides information about the qualifications and business practices of Sentara Capital LLC. If you have any questions about the contents of this brochure, please contact Michael Brooks, Chief Compliance Officer, at (770) 509-5305.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Sentara Capital LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Click on the "Investment Adviser Search" link and then search for "Investment Adviser Firm" using the firm's CRD (IARD) number, which is 161132.

While the firm and its associates may be registered with the State of Georgia as well as other jurisdictions, that registration does not imply an endorsement by any regulatory authority, nor imply a certain level of skill or training on the part of the firm or its associated personnel.

## **Item 2 - Material Changes**

There following material changes have occurred from the last annual updating amendment of Sentara Capital LLC on March 15, 2023. Material changes relate to Sentara Capital LLC policies, practices or conflicts of interests only.

- Fee schedule was updated in Item 5: Fees and Compensation.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or may contact our firm at (770) 509-5305 to request a copy at any time.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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#### **Important Information**

Throughout this document Sentara Capital LLC shall also be referred to as the “firm,” “our,” “we” or “us.” The client or prospective client may also be referred to as “you,” “your,” etc., and refers to a client engagement involving of a single *person* as well as two or more *persons*. The term “advisor” and “adviser” are used interchangeably where accuracy in identification is necessary (i.e., internet address, etc.).

## **Item 4 - Advisory Business**

### **Description of Our Firm**

Sentara Capital LLC is a Georgia-domiciled limited liability company formed in January of 2012. The firm is not a subsidiary of, nor does it control, another industry entity. In addition to our 2012 registration as an investment advisor with the State of Georgia, both the firm and its associates may register or meet certain exemptions to registration in other jurisdictions in which investment advisory business is conducted.

Michael Brooks and William Allen are the majority owners and co-managers. Michael Brooks also serves as Chief Compliance Officer (supervisor). Detailed information about the firm's principal executives may be found in their accompanying brochure supplements.

### **Description of Our Services**

To begin, an interview in person or over the telephone is conducted by a representative of our firm to determine the scope of services to be provided. During or prior to this meeting, you will be provided with the firm's current Form ADV Part 2A firm brochure that incorporates its privacy policy (see Item 11), and you will receive a Form ADV Part 2B brochure supplement about your investment advisor representative who will be assisting you. The firm will also ensure any material conflicts of interest are disclosed regarding the firm and its associates that might reasonably be expected to impair the rendering of unbiased and objective advice.

Should you wish to engage our firm, we must first enter into a written agreement; thereafter, discussion and analysis will be conducted to determine your financial needs, goals, holdings, etc. Depending on the scope of the engagement, you may be required to provide current copies of the following documents early in the process:

- Wills, codicils and trusts
- Insurance policies
- Mortgage information
- Tax returns
- Current financial specifics including W-2s or 1099s
- Information on current retirement plans and benefits provided by your employer
- Statements reflecting investments in retirement and non-retirement accounts
- Completed risk profile questionnaires or other forms provided by our firm

Our ability to provide our services depends on access to important information. Accordingly, it is necessary that you provide us with an adequate level of information and supporting documentation throughout the term of the engagement, including but not limited to source of funds, income levels, your (or your legal agent's) authority to act on behalf of the account, among other information. This helps us determine the appropriateness of our financial planning or investment strategy for you. It is important that the information and financial statements you provide are accurate. Our firm may, but is not obligated to, verify the information you have provided, which will then be used in the financial planning or investment advisory process.

It is also very important that you keep us informed on significant changes that may call for an update to your financial and investment plans. Events such as job changes, retirement, a windfall, marriage or divorce, or the purchase or sale of a home or business can have a large impact on your circumstances and needs. We need to be aware of such events, so we can make the adjustments needed to your plan or advice in order to keep you on track toward your goals.

### ***Financial Planning Services***

The firm includes financial planning services as part of our portfolio management services program, or these services may be provided and charged separately from our portfolio management services program. Advice may be provided on such subjects as cash flow management, risk management, education funding, investment planning, retirement strategies, tax and estate planning, or other specific needs as indicated by the client.

Our consulting services and subsequent recommendations may either be broad-based or more narrowly focused, as you desire. Note that when our services focus only on certain areas of your interest or need, your overall financial situation or needs may not be fully addressed due to the limitations you have established. In all instances involving your engagement, you will retain discretion over implementation decisions and are free to accept or decline any recommendation. Further, it remains your responsibility to promptly notify our firm if there is any change in your financial situation or investment objectives for the purpose of our reviewing, evaluating, or revising previous recommendations and/or services.

### ***Educational Workshops***

Associates of Sentara Capital LLC may provide educational workshops on an “as announced” basis for groups desiring general advice on investments and personal finance. Topics may include issues related to financial planning, educational and estate planning, retirement strategies, or various other economic and investment topics. Our workshops are educational in nature and do not involve the sale of insurance or investment products. Information presented will not be based on any one person’s need nor do we provide individualized investment advice to attendees during our general sessions.

### ***Portfolio Management Services***

Our firm may be engaged to implement the investment strategies that have been recommended to you. Depending on your risk profile, needs, among other considerations, your portfolio may involve the employment of one or more investment strategies, and as well as either a broad range or more narrowly focused choice of investment vehicles, each of which is described in further detail in Item 8 of this brochure. We do not limit our investment advice to any particular asset class or securities.

Where appropriate, we will assist you in preparing an investment policy statement or similar document reflecting your investment objectives, time horizon, tolerance and appetite for risk, as well as any reasonable constraints you may have for your portfolio. Your investment policy statement will be designed to be specific enough to provide future guidance while allowing flexibility to work with changing market conditions. Since the investment policy statement, to a large extent, will be a product of information and data you have provided, you will be responsible for reviewing and providing final approval of the plan.

Our firm serves as portfolio manager and your account may be served on a discretionary or non-discretionary basis (“authority”). The engagement typically includes:

- Risk tolerance profiling
- Social concerns or other account constraints
- Investment strategy development
- Investment policy statement
- Asset allocation
- Asset selection
- Regular portfolio monitoring

#### Assets Under Management

As of March 7, 2024, the firm had approximately \$131,659,879 of reportable client assets under its management on a discretionary basis.

#### General Information

We do not provide legal or accounting services. With your consent, we may work with your other professional advisors to assist with coordination and implementation of recommended strategies. You should be aware that these other advisors will bill you separately for their services and these fees will be in addition to those of Sentara Capital LLC.

Our firm will use its best judgment and good faith effort in rendering its services; however, Sentara Capital LLC cannot warrant or guarantee any particular level of account performance, that your account will be profitable over time, or that your financial planning goals will be met. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, we will not be liable to the client, heirs, or assignees for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by him or his firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from adherence to your direction or your attorney-in-fact may provide; any act or failure to act by a service provider maintaining your investment account.

Federal and state securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing contained in this document shall constitute a waiver of any rights that you may have under federal and state securities laws.

### **Item 5 - Fees and Compensation**

#### ***Types of Fee Arrangements***

##### ***Hourly Fee***

While our financial planning services are generally included as part of our investment services engagement, we will offer our services under an hourly fee arrangement for “stand-alone” engagements. The rate is \$150 per hour that will be billed in 15-minute (quarter-hour) increments.

### **Fixed Fee**

While most educational workshops are complimentary or paid by the workshop sponsor, such as an association or employer, we may assess a fixed fee for session materials and these costs will be announced in advance of the first session.

### **Asset-Based Fees**

Portfolio management accounts are assessed an annualized asset-based fee that will be calculated based on the reporting period ending value of your account. These fees will be billed monthly, in advance, per the following table.

<b>Assets Under Management</b>	<b>Annualized Asset-Based Fee</b>
First \$500,001 - \$3,000,000	1.00% (100 basis points)
Next \$3,000,001 - \$5,000,000	0.80% (80 basis points)
Over \$5,000,000	0.50% (50 basis points)

Households valued at less than \$500,000 will be charged a flat fee of up to 1.25%, billed monthly in advance, until they reach the \$500,001, at which point they will be charged based on the tier above.

For the benefit of discounting your asset-based fee, we may aggregate the value of accounts for the same individual or two or more accounts within the same family, or accounts where a family member has power of attorney over another family member's or incompetent person's account for the purposes of assessing management fees only. We reserve the right to apply our fee schedule separately to each account should investment objectives be substantially different for any two or more household accounts that would necessitate different investment approaches or operational requirements.

### **Negotiability of Fees**

For all noted forms of advisory engagements through our firm, the services to be provided to you and their specific fees will be detailed in your engagement agreement. Our published fees may be negotiable; however, this will be determined by our chief compliance officer. We strive to offer fees that are fair and reasonable in light of the experience of the selected investment advisor representative and the services to be rendered.

### Payment of Fees

#### **Hourly and Fixed Fees**

Fees may be paid by check or bank draft. We do not accept cash, money orders, or similar forms of payment for our engagements. Fees are generally due upon your receipt of our invoice.

#### **Asset-Based Fees**

The first billing cycle normally occurs once the agreement is executed, and the account is funded; partial periods will be assessed a pro-rated fee. Fee payments will generally be assessed within 15 days following each billing cycle.

Accounts will be valued in accordance with the values disclosed on the statement the client receives from the custodian for the purpose of verifying the computation of the advisory fee. In the absence of a market value, we may seek an independent third-party opinion or a good faith determination by a qualified associate of our firm.

You will be required to authorize in writing through the execution of our engagement agreement, as well as account opening documents of the selected custodian or broker/dealer (“service provider”), that will allow our firm to request the deduction of advisory fees from your account via your custodian of record. All fees will be clearly noted on your statements and, in jurisdictions where required, we will send you written notice of the fees to be deducted from your account which will include the total fee assessed, covered time period, calculation formula utilized, and the assets under management on which the fee has been based. Please note that you share in the responsibility to verify the accuracy of fee calculations; the custodian may not verify the accuracy for you.

#### Additional Client Fees

Any transactional or service fees (sometimes termed *brokerage fees*) assessed by a selected service provider (i.e., a custodian), individual retirement account fees, or qualified retirement plan and/or account termination fees will be borne by the account holder and are per those provided in current, separate fee schedules of any selected service provider.

Fees paid by our clients to our firm for our advisory services are separate from any transactional charges a client may pay, as well as those for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type.

Additional information about our fees in relationship to our business practices are noted in Items 12 and 14 of this document.

#### External Compensation for the Sale of Securities to Clients

Our firm is engaged for fee-only services and attempts to recommend “no load” investments whenever appropriate. We do not charge or receive a commission or mark-up on your securities transactions, nor will our advisory firm be paid a brokerage commission on your purchase of a recommended securities investment.

We do not receive “trailer” or SEC Rule 12b-1 fees from an investment company offering that we may recommend. Fees charged by issuers are detailed in prospectuses or product descriptions and you are encouraged to read these documents before investing. Our firm receives none of these described or similar fees or charges.

You will always have the option to purchase recommended investments through your own service provider.

#### Prepayment of Fees

We require our asset-based fees to be paid in advance on a monthly basis. We reserve the right to require an initial deposit for consultation services engagements in the amount of \$500 or one-half of the



upper end of the estimated fee range (whichever is greater), and this deposit will be defined in your engagement agreement.

### Termination of Services

Either you or we may terminate the agreement at any time, in writing. Should you verbally notify our firm of the termination and, if in two business days following this notification we have not received your notice in writing, we will make a written notice of the termination in our records and send you our own termination notice as a substitute.

For those clients who utilize our portfolio management services, we will not be responsible for future allocations, transactional services or investment advice upon receipt of a termination notice. Upon termination, it will be necessary that we inform the custodian that the relationship between our firm and the client has been terminated.

If our Form ADV Part 2 firm brochure was not delivered to you at least 48 hours prior to entering into the investment advisory contract, then you have the right to terminate the engagement without fee or penalty within five business days after entering into the agreement. Should you terminate the engagement after this period, you will typically be assessed fees on a prorated basis for services incurred up until the date of termination. In the case of our prepaid fees, we will promptly return any unearned amount upon receipt of a written termination notice.

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

Our fees will not be based upon a share of capital gains or capital appreciation (growth) of any portion of managed funds, also known as “performance-based fees.” Performance-based compensation creates an incentive for a firm or their representatives to recommend an investment that may carry a higher degree of risk to a client. We do not use a performance-based fee structure because of the conflict of interest this type of fee structure poses.

Our fees will also not be based on “side-by-side management,” which refers to an investment advisor simultaneously managing accounts that do pay performance-based fees (such as a hedge fund) and those that do not; this type of arrangement, and the conflict of interest it may pose, does not conform to our firm’s practices.

### **Item 7 - Types of Clients**

While our current client-base consists of individuals, high net worth individuals and pension and profit sharing plans, we are also available to businesses of various scale. We do not require minimum income levels, minimum level of assets or other conditions for our services. We reserve the right to waive or reduce certain fees based on unique individual circumstances, special arrangements, or pre-existing relationships. We also reserve the right to decline services to any prospective client for any non-discriminatory reason.

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

#### Methods of Analysis and Investment Strategies

### ***Method of Analysis***

If our firm is engaged to provide investment advice, we will first gather and consider information regarding several factors, including your:

- current financial situation
- current and long-term needs
- investment goals and objectives
- level of investment knowledge
- tolerance and appetite for risk
- social concerns involving your investments
- restrictions, if any, on the management of your portfolio

### ***Investment Strategies***

Sentara Capital LLC employs six primary investment models that are analyzed and managed on a daily basis: Capital Preservation, Conservative, Moderate-Conservative, Moderate, Moderate-Aggressive and Aggressive. Each model has core positions, and the firm will tactically allocate assets in a manner to account for risks such as those described in the following paragraphs. The firm utilizes research and opinions from top economists, market forecasters, and research analysts when formulating its investment outlook, and makes tactical shifts to its asset allocation as conditions warrant.

In addition to core positions, the firm incorporates a portion of a client's portfolio to a momentum-based, quantitative investment model that analyzes entry and exit points on a wide variety of asset classes. While the firm utilizes ETFs and individual stocks, its level of expertise within a certain asset class determines usage of individual stock choices as opposed to ETFs to represent that particular asset class.

### **Potential Risks Involving Our Strategy and Method of Analysis**

#### ***Investment Strategy Risks***

We believe our strategies and investment recommendations are designed to produce the appropriate potential return for the given level of risk; however, we cannot guarantee that an investment objective or planning goal will be achieved. As an investor you must be able to bear the risk of loss that is associated with your account, which may include the loss of some or all of your principal. Examples include:

**Active Management Strategies** – A portfolio that employs active management strategies may, at times, outperform or underperform various benchmarks or other strategies. In an effort to meet or surpass these benchmarks, active portfolio management may require more frequent trading or “turnover.” This may result in shorter holding periods or create taxable events generally borne by the client, thereby potentially reducing or negating certain benefits of active management.

**Company Risk** – When investing in securities, there is always a certain level of company or industry-specific risk that is inherent in each company or issuer. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry.

**Core + Satellite Strategies** – Strategies involving Core + Satellite investing may have the potential to be affected by “active risk” or “tracking error risk,” which might be defined as a deviation from the stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a “sample” or “optimized” index fund or ETF that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a satellite holding, utilize very active satellites, or use a “replicate index” position as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

**Financial Risk** – Excessive borrowing to finance a business operation increases profitability risk 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.

**Firm Research** – When the firm’s research and analyses are based on commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying on the accuracy and validity of the information or capabilities provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot predict the outcome of events or actions taken or not taken, or the validity of all information it has researched or provided, which may or may not affect the advice on or investment management of an account.

**Inflation Risk** – When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.

**Market Risk** – When the stock market as a whole, or an industry as a whole, fall it can cause the prices of individual stocks to fall indiscriminately. This is also called *systemic* or *systematic* risk.

**Political Risk** – The risk of financial or market loss because of political decisions or disruptions in a particular country or region, and may also be known as “geopolitical risk.”

**Socially Conscious Investing** – If you require your portfolio to be invested according to socially conscious principles, you should note that returns on investments of this type may be limited and because of this limitation you may not be able to be as well diversified among various asset classes. The number of publicly traded companies that meet socially conscious investment parameters is also limited, and due to this limitation, there is a probability of similarity or overlap of holdings, especially among socially conscious mutual funds or ETFs. There may be more pronounced positive or negative impacts to socially conscious portfolios, which could be more volatile than a fully diversified portfolio.

### ***Security-Specific Material Risks***

**Equity (Stock) Market Risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases or decreases in value as market confidence in and perceptions of the company who issued the stock.

If an investor held common stock, or common stock equivalents, of any given company, they would generally be exposed to greater risk than if they held preferred stock and/or debt obligations of the company.

ETF and Mutual Fund Risk – The risk of owning an ETF or mutual fund generally reflects the risks of their underlying securities. ETFs or mutual funds may carry additional expenses based on their share of operating expenses and certain brokerage fees, which may result in the potential duplication of certain fees.

Fixed Income Risks – Various forms of fixed income instruments, such as bonds, money market funds, and certificates of deposit, may be affected by various forms of risk, including:

- *Credit Risk* - The potential risk that an issuer would be unable to pay scheduled interest or repay principal at maturity, sometimes referred to as “default risk.” Credit risk may also occur when an issuer’s ability to make payments of principal and interest when due is interrupted. This may result in a negative impact on all forms of debt instruments, as well as funds or ETF share values that hold these issues. Bondholders are creditors of an issuer and have priority to assets before equity holders (i.e., stockholders) when receiving a payout from liquidation or restructuring. When defaults occur due to bankruptcy, the type of bond held will determine seniority of payment.
- *Duration Risk* - Duration is a measure of a bond’s volatility, expressed in years to be repaid by its internal cash flow (interest payments). Bonds with longer durations carry more risk and have higher price volatility than bonds with shorter durations.
- *Interest Rate Risk* - The risk that the value of the fixed income holding will decrease because of an increase in interest rates.
- *Liquidity Risk* - The inability to readily buy or sell an investment for a price close to the true underlying value of the asset due to a lack of buyers or sellers. While certain types of fixed income are generally liquid (i.e., bonds), there are risks which may occur such as when an issue trading on any given period does not readily support buys and sells at an efficient price. Conversely, when trading volume is high, there is also a risk of not being able to purchase a particular issue at the desired price.
- *Reinvestment Risk* – With declining interest rates, investors may have to reinvest interest income or principal at a lower rate.

Index Investing – ETFs and indexed funds have the potential to be affected by “tracking error risk,” as earlier described in the passage involving Core + Satellite strategies. In these instances, we may choose to reduce the weighting of a holding or use a “replicate index” position as part of the core holding to minimize the effects of the tracking error in relation to the overall portfolio.

QDI Ratios – While many ETFs and index mutual funds are known for their potential tax-efficiency and higher “qualified dividend income” (QDI) percentages, there are asset classes within these investment vehicles or holding periods within that may not benefit. Shorter holding periods, as well as commodities and currencies (that may be part of an ETF or mutual fund portfolio), may be considered “non-qualified” under certain tax code provisions. We consider a holding’s QDI when tax-efficiency is an important aspect of the client’s portfolio.

## **Item 9 - Disciplinary Information**

Neither Sentara Capital LLC nor any member of its management has been involved in a material criminal or civil action in a domestic, foreign or military jurisdiction, an administrative enforcement action, or self-regulatory organization proceeding that would reflect poorly upon our firm's advisory business or the integrity of our firm.

#### **Item 10 - Other Financial Industry Activities and Affiliations**

Our policies require our firm and its associates to conduct business activities in a manner that avoid or appropriately mitigate conflicts of interest between the firm, its associates, and our clients, or that may be contrary to law. We will provide disclosure to each client prior to and throughout the term of an engagement regarding any conflicts of interest that might reasonably compromise our impartiality or independence.

Neither the firm, management, nor its associates are registered or have an application pending to register as a Financial Industry Regulatory Authority (FINRA) or National Futures Association (NFA) member firm or an associated person of the foregoing entities, nor are we required to be. Neither the firm nor its management is or has a material relationship with any of the following types of entities:

- municipal securities dealer, or government securities dealer or broker
- another registered investment advisor, to include a financial planning firm, municipal advisor or third-party investment manager
- bank, credit union or thrift institution, or their separately identifiable departments or divisions
- accountant or accounting firm
- lawyer or law firm
- real estate broker or dealer
- sponsor or syndicator of limited partnerships
- trust company
- issuer of a security, to include an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).

Upon your request, you may be provided a referral to various professionals, such as an accountant or an attorney. While these referrals are based on the best information made available, the firm does not guarantee the quality or adequacy of the work provided by these referred professionals. There is not an agreement with these entities nor are referral fees received from these professionals for such informal referrals. Any fees charged by these other entities for their services are completely separate from fees charged by our firm.

Michael Brooks and William Allen are licensed insurance agents. Further information with regard to this activity may be found in their respective brochure supplements. Whether they are serving a client in one or more capacities, they will disclose in advance how they are being compensated and if there is a conflict of interest involving any service being provided to you.

At no time will there be *tying* between business practices and/or services; a condition where a client or

prospective client would be required to accept one product or service which is conditional upon the selection of a second distinctive tied product or service.

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

Our firm and its associates will act in the utmost good faith, performing in a manner believed to be in the best interest of our clients. We believe that our business methodologies, ethics rules, and adopted policies are designed to eliminate or at least minimize material conflicts of interest, and to appropriately manage any material conflicts of interest that may remain. You should be aware that no set of rules can possibly anticipate or relieve all material conflicts of interest. Our firm will disclose to its advisory clients any material conflict of interest relating to the firm, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

#### **Code of Ethics**

Sentara Capital LLC has adopted a Code of Ethics that establishes policies for ethical conduct for all our personnel. Our firm accepts the obligation not only to comply with all applicable laws and regulations but also to act in an ethical and professionally responsible manner in all professional services and activities. Our policies include prohibitions against insider trading, circulation of industry rumors, and certain political contributions, among others. We periodically review and amend our Code of Ethics to ensure that it remains current, and we require all firm access persons to attest to their understanding of and adherence to the Code of Ethics at least annually. Our firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

#### **Privacy Policy Statement**

We respect the privacy of all our clients and prospective clients, both past and present. We recognize that you have entrusted us with non-public personal information, and it is important to us that all employees and clients of our firm know our policy concerning what we do with that information.

We collect personal information about our clients from the following sources:

- Information our clients provide to us to complete their financial plan or investment recommendations;
- Information our clients provide to us in agreements, account applications, and other documents completed in connection with the opening and maintenance of their accounts;
- Information our clients provide to us verbally; and
- Information we may receive from service providers, such as custodians, about client transactions.

We do not disclose non-public personal information about our clients to anyone, except in the following circumstances:

- When required to provide services our clients have requested;
- When our clients have specifically authorized us to do so;
- When required during the course of a firm assessment (i.e., independent audit); or
- When permitted or required by law (i.e., periodic regulatory examination).

Within our firm, we restrict access to client information to staff that need to know that information. All personnel and our service providers understand that everything handled in our offices are confidential and they are instructed to not discuss client information with someone else that may request information about an account unless they are specifically authorized in writing by the client to do so. This includes providing information about a spouse's IRA or to adult children about a parent's account.

To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect the privacy of client information.

We will provide you with our privacy policy on an annual basis and at any time, in advance, if our policy is expected to change.

#### Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

Neither the firm nor an associate is authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a "related person" (e.g., associate, an immediate family member, etc.) has a material financial interest, such as in the capacity as a board member, underwriter or advisor to an issuer of securities, etc.

An associate is prohibited from borrowing from or lending to a client unless the client is an approved financial institution.

The firm is able to provide a broad range of services to you and all of our clients, including financial planning and investment consultation, portfolio management services, among others; we may be paid a fee for some or all of these services. As described in Item 10, an associate may also serve as a licensed insurance agent and insurance commission may be paid to the associate (as an insurance agent) and/or an advisory fee paid to the associate and the firm (for advisory activity) for these services. The potential for a conflict of interest may exist within these various client relationships and we hereby note that you are under no obligation to act on a recommendation from an associate and, if you elect to do so, you are under no obligation to complete all of them through our firm or a service provider that we may recommend to you. In addition, whether an associate is serving a client in one or more capacities, they will disclose in advance how they are being compensated and if there is a conflict of interest involving any service being provided.

#### Firm/Personnel Purchases of Same Securities Recommended to Clients and Conflicts of Interest

Our firm does not trade for its own account (e.g., proprietary trading). The firm's related persons may buy or sell securities that are the same as, similar to, or different from, those recommended to clients for their accounts, and this poses a conflict of interest. We mitigate this conflict by ensuring that we have policies and procedures in place to ensure that the firm or a related person will not receive preferential treatment over a client.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading (i.e., trading ahead of client recommendation, etc.), firm policy may require that we periodically restrict or prohibit related parties' transactions. Any exceptions must be approved in writing by the Chief Compliance Officer, and personal trading accounts are reviewed on a quarterly or more frequent basis. Please refer to Item 6 of the accompanying Form ADV Part 2B brochure supplement for further details.

## **Item 12 - Brokerage Practices**

### **Factors Used to Select Broker/Dealers for Client Transactions**

Sentara Capital LLC does not maintain physical custody of your account assets (see Item 15). Your assets must be maintained in an account at a qualified custodian, generally a broker/dealer or bank (we term “service providers”) who is frequently assessed for its capabilities to serve as custodian. Sentara Capital LLC is not a custodian, nor does it have an affiliate that is a custodian.

When engaged to provide an investment consultation service the firm may recommend the service provider with whom your assets are currently maintained. Should you prefer a new service provider, our recommendation of another service provider would be based on your needs, overall cost, and ease of use.

When our firm is engaged to provide portfolio management services, we may recommend or prefer to utilize the institutional services division of Charles Schwab & Co., Inc. (“Schwab”) or FOLIO Investments, Inc. (“FOLIO”). These custodians are FINRA and SIPC<sup>3</sup> members; Schwab is a NFA members. As stated earlier, our firm is independently owned and operated and is not affiliated with Schwab, FOLIO, or any other custodian we may recommend.

While we may recommend that you use one or more custodian, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them. We do not technically open the account for you, although we will assist you in doing so. If you do not wish to place your assets with Schwab or FOLIO as custodian of record, we would be unable to manage your account under our portfolio management services engagement and an alternative engagement such as an investment consultation service may become necessary.

The noted custodians generally offer independent investment advisors various services which include custody of client assets, trade execution, clearance and settlement, etc. Our firm may receive certain benefits from Schwab or FOLIO through participation in their independent advisor support program (please refer to Item 14 for further details); however, there is not a direct link between our firm’s participation in their program and the investment advice we may provide to our clients. Our firm periodically conducts an assessment of any recommended service provider (including Schwab or FOLIO) which generally involves a review of the range and quality of services, reasonableness of fees, among other items, and in comparison, to industry peers.

### **Best Execution**

“Best execution” means the most favorable terms for a transaction based on all relevant factors, including those listed in the paragraph titled *Factors Used to Select Broker/Dealers for Client Transactions* and within Item 14. We recognize our obligation in seeking best execution for our clients; however, it is our belief that the determinative factor is not always the lowest possible cost but whether the selected custodian’s transactions represent the best “qualitative execution” while taking into consideration the full range of services provided. We will therefore seek services involving competitive rates, but it may not necessarily correlate into the lowest possible rate for each transaction.

We have determined that having client portfolio management account trades executed through the noted custodians is consistent with the firm’s duty to seek best execution of your trades. A review is regularly conducted by our firm with regard to recommending a custodian to our clients in light of our



duty to seek best execution.

#### Directed Brokerage

Our internal policy and operational relationship with our custodians require client accounts custodied with them to have trades executed per their order routing requirements. We do not direct which executing broker should be selected for client account trades; whether that is an affiliate of a recommended custodian or another executing broker of the custodian's choice. As a result you may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices on transactions than might otherwise be the case. In addition, since we routinely recommend a particular custodian for our clients, and that custodian may choose to use the execution services of their broker affiliate for some or all of our client account transactions, there is an inherent conflict of interest involving our recommendation since our advisory firm receives various products or services described in this section and Item 14 from that custodian. Note that we are not compensated for trade routing/order flow, nor are we paid commissions on such trades; we do not receive interest on our client accounts' cash balances.

As our client you may direct your custodian to use a particular broker to execute some or all account transactions. In these circumstances you will be responsible for negotiating, in advance of each trade, the terms and/or arrangements involving your account with that broker, and whether the selected broker is affiliated with your custodian of record or not. We will not be obligated to seek better execution services or prices from these other brokers, and we may be unable to aggregate your transactions for execution via our recommended custodian with other orders for accounts managed by our firm.

#### Aggregating Securities Transactions

Trade aggregation involves the purchase or sale of the same security for several clients/accounts at approximately the same time. This may also be termed "blocked," "bunched" or "batched" orders. Aggregated orders are typically effected in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among multiple client accounts should there be differences in prices, brokerage commissions or other transactional costs that might otherwise be unobtainable through separately placed orders. Our firm may but is not obligated to aggregate orders, and the firm does not receive additional compensation or remuneration as a result of aggregated transactions.

Transaction charges and/or prices may vary due to account size and/or method of receipt. To the extent that the firm determines to aggregate client orders for the purchase or sale of securities, including securities in which a related person may invest, the firm will generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.*, or similar guidance if the jurisdiction in which the client resides provides such direction.

Please note that when trade aggregation is not allowed or infeasible and necessitates individual transactions (e.g., withdrawal or liquidation requests, odd-lot trades, non-discretionary accounts, etc.), an account may potentially be assessed higher costs or less favorable prices than those where aggregation has occurred.

We review firm trading processes on a periodic basis to ensure they remain within stated policies and regulation. You will be informed, in advance, should trading practices change at any point in the future.

### Trade Errors

Our firm corrects trade errors through an account maintained at the noted custodians, and our firm may be responsible for certain of our trading error losses in an account. Note that trading gains in accounts are swept out to a designated account and donated to a 501(c)(3) charity of our custodians' choice, and they will be obligated to disclose in their own literature to account holders whether recipients' receipt of such donations presents a material conflict of interest.

### Client Referrals from Custodians

We do not receive referrals from our preferred custodian; nor are client referrals a factor in our selection of a custodian.

### **Item 13 - Review of Accounts**

#### Recommended Reviews

##### ***Financial Planning Services***

Periodic financial check-ups or reviews are recommended if you are receiving our financial planning service, and we recommend that they occur at least on an annual basis whenever practical. If your engagement agreement calls for ongoing financial planning services, we encourage you to schedule these meetings in advance or you will be contacted per your plan schedule for continued review.

Reviews will be conducted by your selected financial planner and normally involve analysis and possible revision of your previous financial plan or investment allocation. Unless provided for in your engagement agreement, reviews are generally conducted under a new or amended agreement and will be assessed at our current hourly rate.

##### ***Portfolio Management Services***

Investment models are monitored by the Sentara Capital LLC Investment Adviser representatives, typically at least weekly and normally on a daily basis. Additional reviews may be triggered by news or research related to a specific holding, a change in our view of the investment merits of a holding, or news related to the macroeconomic climate affecting a sector or holding within that sector. Accounts may be reviewed for an additional holding or when an increase in a current position is under consideration. Cash levels above or below what we deem appropriate for the investment environment, given the client's stated tolerance for risk and investment objectives, may also trigger a review.

#### Reports and Frequency

If you have opened and maintained an investment account on your own or with our assistance, you will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where your investments are held. We urge you to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

We may provide portfolio reports if we are engaged to provide periodic asset allocation or investment advice; however, we do not provide ongoing performance reporting if we are engaged strictly for financial planning or investment consultation engagement. Should our firm produce its own written performance reports, they will be calculated using a time-weighted methodology, and are reviewed

for accuracy by firm compliance personnel prior to delivery to clients. The reports are intended to inform clients about their investment performance over the current period and over the longer term since the account's inception, both on an absolute basis and as compared to a known benchmark. Clients are urged to carefully review and compare account statements that they have received directly from their custodian with any performance report received from our firm.

#### **Item 14 - Client Referrals and Other Compensation**

##### Economic Benefit from External Sources and Potential Conflicts of Interest

As disclosed in Item 12, Sentara Capital LLC receives economic benefit from one or more of the referenced custodians in the form of various products and services they make available to our firm and other independent investment advisors that typically may not be made available to a "retail investor." These services may include custody of client assets, trade execution, clearance and settlement, etc. The benefits they offer may include the following products and services (provided either without cost or at a discount):

- receipt of duplicate client statements and confirmations
- research related products and tools
- access to trading desks serving our clients
- access to block trading services
- the ability to have advisory fees deducted directly from a client's accounts (per written agreement)
- resource information related to capital markets and various investments
- access to an electronic communications networks for client order entry and account information
- access to mutual funds with no transaction fees and/or select investment managers
- discounts on marketing, research, technology, and practice management products or services provided to our firm by third-party providers

Some of the noted products and services made available to our firm by a custodian benefit our advisory firm but may not directly benefit a client account, and certain research and other previously referenced services qualify as "brokerage or research services" under Section 28(e) of the Securities Exchange Act of 1934. The availability of these services benefits our firm because we do not have to produce or purchase them as long as clients maintain assets in accounts at our recommended custodian. There is a conflict of interest since our firm has an incentive to select or recommend a custodian based on our firm's interest in receiving these benefits rather than your interest in receiving favorable trade execution. It is important to mention that the benefit received by our firm through participation in any custodian's program does not depend on the amount of brokerage transactions directed to that custodian, and our selection of a custodian is primarily supported by the scope, quality, and cost of services provided as a whole -- not just those services that benefit only our advisory firm. We will act in the best interest of our clients regardless of the custodian we may select.

##### Client Referrals

Sentara Capital LLC may enter into "Promoter/Finder" relationships. These promoters refer prospective clients to Sentara Capital LLC. Sentara Capital LLC pays a referral fee to the promoter or finder typically based on a portion of the management fees charged by Sentara Capital LLC and

memorialized in a written agreement (“Promoter Agreement”). In all cases, Sentara Capital LLC will comply with the cash solicitation rules established by the SEC, state regulators and the client disclosure requirements. When a client is referred to us by a referring party, the referring party provides the client with a copy of our Disclosure Brochure as required by the Investment Advisers Act of 1940. If a referred prospective client enters into an investment advisory agreement with Sentara Capital LLC, a referral fee is paid to the referring party. The referral relationship will not result in clients being charged any fees over and above the normal advisory fees charged for the advisory services provided. Sentara Capital LLC will pay the promoter/finder their share of the total fee. The Promoter Agreement requires that the promoter/finder be appropriately registered under federal and state securities laws where applicable. Clients receive all related agreements and disclosures prior to or at the time of entering into an Investment Advisory Agreement with Sentara Capital LLC.

An associate of the firm may hold individual membership or serve on boards or committees of professional industry associations. Generally, participation in any of these entities require membership fees to be paid, adherence to ethical guidelines, as well as in meeting experiential and educational requirements. A benefit these entities may provide to the investing public is the availability of online search tools that allow interested parties (prospective clients) to search for individual participants within a selected state or region. These passive websites may provide means for interested persons to contact a participant via electronic mail, telephone number, or other contact information, in order to interview the participating member. The public may also choose to telephone association staff to inquire about an individual within their area, and would receive the same or similar information. A portion of these participant’s membership fees may be used so that their name will be listed in some or all of these entities’ websites (or other listings). Prospective clients locating our advisory firm or an associate via these methods are not actively marketed by the noted associations. Clients who find our firm in this way do not pay more for their services than clients referred in any other fashion. The firm does not pay these entities for prospective client referrals, nor is there a fee-sharing arrangement reflective of a promoter engagement.

#### **Item 15 - Custody**

Your funds and securities will be maintained by an unaffiliated, qualified custodian, such as a bank, broker/dealer, mutual fund companies, or transfer agent. Your assets are not held by Sentara Capital LLC or any related party. Our firm policy requires that we:

- Restrict an associate from acting as trustee or having general power of attorney over a client account;
- Prohibit an associate from having authority to directly withdraw securities or cash assets from a client account. Advisory fees will only be withdrawn from a client investment account through engagement of a qualified custodian maintaining client account assets, via prior written client approval (termed “constructive custody”);
- Will not accept or forward client securities (i.e., stock certificates) erroneously delivered to our advisory firm;
- Will not collect advance fees of \$500 or more for services that are to be performed six months or more into the future; and
- Will not authorize an associate to have knowledge of a client’s account access information (i.e., online 401(k), brokerage or bank accounts) if such access results in control over account assets; even

for the convenience or accommodation of the client or their legal agent.

- Some clients may execute limited powers of attorney or other standing letters of authorization that permit the firm to transfer money from their account with the client's independent qualified Custodian to third-parties. This authorization to direct the Custodian may be deemed to cause our firm to exercise limited custody over your funds or securities and for regulatory reporting purposes, we are required to keep track of the number of clients and accounts for which we may have this ability.

The custodian of record will provide you with your investment account transaction confirmations and account statements, which will include all debits and credits as well as our firm's advisory fee for that period. Statements are provided on at least a quarterly basis or as transactions occur within your account. Sentara Capital LLC will not create a statement for you nor be the sole recipient of an account statement.

Should you receive periodic reports from our advisory firm that includes investment performance information, you are urged to carefully review and compare your account statements that you have received directly from your custodian of record with any such report from our firm.

#### **Item 16 - Investment Discretion**

Sentara Capital LLC provides various forms of investment advisory services (as described in Item 4) under either *discretionary* or *non-discretionary* account authority, and as determined by your written engagement agreement. Similar to a limited power of attorney, *discretionary authority* allows our firm to implement investment decisions, such as the purchase or sale of a security on behalf of your account, without requiring your prior authorization for each transaction in order to meet your stated investment objectives. This authority will be granted through your execution of both our engagement agreement and the selected custodian's account opening documents. Note that your custodian will specifically limit our firm's authority within your account to the placement of trade orders and the request for the deduction of our advisory fees.

Should you prefer your account to be managed in a *non-discretionary* manner, your prior approval must be made for each transaction with regard to the investment and reinvestment of account assets, or for the firm to give instructions to the service provider maintaining your account. If you require your account be managed in such a manner, you should be aware that Sentara Capital LLC retains the right to either terminate the account or continue to manage the account under a higher asset-based fee due to increased operational costs. In light of the requirement for your pre-approval for a non-discretionary account, you must also make yourself available and keep our firm updated on your contact information so that instructions can be efficiently effected on your behalf.

We will account for any reasonable restrictions that you have provided to us in writing that involve the management of your account. It will remain your responsibility to notify us if there is any change in your financial situation and/or investment objective so that we may reevaluate previous investment recommendations or portfolio holdings. Note that you also retain the right to amend our account authority or to terminate the engagement at any time.

#### **Item 17 - Voting Client Securities**

Our firm does not vote proxies on your behalf, including those accounts that we have discretionary authority over; nor do we offer guidance on how to vote proxies. We will not offer guidance involving any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets. However, we will answer limited questions with respect to what a proxy voting request or other corporate matter may be and how to reach the issuer or their legal representative.

You will maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities that are beneficially owned by you shall be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other legal matters or events pertaining to your holdings. You should consider contacting the issuer or your legal counsel involving specific questions you may have with respect to a particular proxy solicitation or corporate action.

#### **Item 18 - Financial Information**

Our advisory firm will not take physical custody of your assets. Fee withdrawals must be done through a qualified intermediary (e.g., your custodian of record), per your prior written agreement, and following your receipt of our firm's written notice (termed "constructive custody").

Engagements with our firm do not require that we collect fees from you of \$500 or more for our advisory services that we have agreed to perform six months or more into the future.

Neither our firm nor its management serve as general partner for a partnership or trustee for a trust in which the firm's advisory clients are either partners of the partnership or beneficiaries of the trust.

The firm and its management do not have a financial condition likely to impair its ability to meet commitments to clients, nor has the firm and its management been the subject of a bankruptcy petition.

Due to the nature of our firm's advisory services and operational practices, an audited balance sheet is not required nor included in this brochure.

#### **Item 19 – Requirements for State-Registered Advisers**

This item is not required to be completed as the firm is registered with the Securities and Exchange Commission.

#### **Business Continuity Plan**

Our firm maintains a business continuity and succession contingency plan that is integrated within the organization to ensure it appropriately responds to events that pose a significant disruption to its operations. A statement concerning the current plan is available under separate cover.