



S H E E T S · S M I T H

— Wealth Management —

## ADV Part 2A – Firm Brochure

Sheets Smith Wealth Management, Inc.  
120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetsmith.com](http://www.sheetsmith.com)

Dated: March 15, 2012

This Form ADV, Part 2 (the “Brochure”) is a very important document that provides disclosures about the manner in which Sheets Smith Wealth Management, Inc. (“Sheets Smith Wealth Management” or the “Firm”) provides services to its clients.

***This brochure provides information about the qualifications and business practices of Sheets Smith Wealth Management. If you have any questions about the contents of this brochure, please contact Paul Anthony, Chief Compliance Officer, at (336) 765-2020 or [panthony@sheetssmith.com](mailto:panthony@sheetssmith.com). 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 Sheets Smith Wealth Management is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in the Firm’s name).***

Sheets Smith Wealth Management is a registered investment adviser with the SEC. The Firm’s registration as an investment adviser does not imply any level of skill or training. However, all of the Firm’s advisors hold the CFA designation, the CFP designation, or have passed the Uniform Investment Adviser Law Exam, which is required to be an investment adviser representative in the State of North Carolina.

## Item 2 – Material Changes

The Firm had no material changes in 2011.

The Firm may, at any time, update this Form ADV, Part 2. In such an event, the Firm will either send you a copy or offer to send you a copy (either by e-mail or by regular mail). If at any time you would like another copy of this Form ADV, Part 2, you may download it from the SEC's public disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or you may request one from the Firm's Chief Compliance Officer, Paul Anthony at 336-765-2020 or [panthony@sheetssmith.com](mailto:panthony@sheetssmith.com).

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## Item 4 – Advisory Business

Sheets Smith Wealth Management is an independently owned, SEC-registered investment adviser. The Firm was founded in 1982 by John Sheets as President and William (Bill) Smith as Executive Vice President and is located in Winston-Salem, NC. Since then, the Firm has been assisting its clients by providing professional financial services to individuals and families with substantial net worth and/or income. John Sheets is the principal owner of the Firm.

Sheets Smith Wealth Management provides investment management, wealth preservation strategies, and financial planning to clients. Most clients are individuals and families, but the Firm also manages assets for foundations, endowments, and retirement plans. The Firm's clients include senior corporate executives or professionals, individuals who have inherited wealth and others who are in the process of creating wealth. In addition to portfolio management, the Firm provides retirement planning, cash flow analysis, and estate and gift planning. The Firm also works with accountants and estate planning attorneys of clients as needed for tax and estate planning purposes.

The Firm tailors asset allocation and investment strategies to each client's needs after understanding the client's risk tolerance, investment time horizon, and other relevant client-specific factors. Clients may impose investment restrictions (*e.g.*, no tobacco-related investments) on their accounts in writing, if so desired.

Sheets Smith Wealth Management acts as an adviser to a mutual fund. This fund is called the Piedmont Select Equity Fund (the "Fund"). David Gilbert is the portfolio manager of the Fund. Sheets Smith Wealth Management acquired and merged the Fund into the Firm in May of 2006. Clients whose assets are invested in the Fund are advised that they will pay management fees to the Fund in addition to the fees that they pay to the Firm.

Sheets Smith Wealth Management has an advisor, Cornell Bowden, who manages portfolios that participate in wrap programs sponsored by various brokerage firms. These accounts are managed under dual contracts and are billed separately from the wrap fees paid to the applicable brokerage firm. Mr. Bowden also manages accounts for other clients that are commission-based and not part of any wrap program. His management style is the same for clients that are and are not part of wrap programs. Mr. Bowden also participates in a Uniform Management Account program through Oppenheimer & Co.

Sheets Smith Wealth Management also acts as a sub-adviser to an independent investment adviser that is registered as an investment adviser with the State of North Carolina, Carolina Financial Advisors, Inc., located in Greensboro, NC. Chris Jones, the founder and President of Carolina Financial Advisors, Inc., based on his client's risk

tolerance and investment objectives, often engages the Firm to serve as a sub-adviser for certain client accounts. The investment focus of these sub-advised accounts is on equities through the purchase and sale of stocks and mutual funds.

All of the Firm's assets under management are discretionary. As of December 31, 2011, the Firm had \$521 million total assets under management.

## Item 5 – Fees and Compensation

Sheets Smith Wealth Management's fees are predominantly based on assets under management. For a few clients, a fixed fee schedule is utilized. Also, advisors may charge hourly fees for professional services that are not investment advisory in nature. Except as described below, all of the Firm's fees are (1) negotiable, (2) agreed upon when the written advisory agreement is signed, and (3) billed in arrears.

Each advisor is responsible for the amount they charge on the assets they manage. Typically, the Firm's advisors charge an annualized fee of between .5% to 1% of the assets managed for equity and balanced accounts and .5% of the assets managed for fixed-income accounts. With the exception for the Firm's fees associated with the managed account program at Oppenheimer which remits the Firm's fees during the last month of the billing quarter (as opposed to the end of the quarter), all asset based and fixed fees are payable quarterly in arrears based on the account value at quarter-end. For the clients who participate in wrap programs, Cornell Bowden's management fees vary from .25% to .75% of the assets managed, payable in arrears. Various factors may dictate whether higher or lower fees are appropriate. These factors include the size of the account, frequency of trading, the amount of client contact necessary, the nature of the account, and the ease of administration. The Firm attempts to tailor both its services and its fees to fit the needs and desires of clients. With regard to the sub-advisory relationship with Carolina Financial Advisors, the Firm is paid 25% of the management fee paid by the client and the Firm's fee is received in arrears based on the account's value at the end of each calendar quarter and is paid directly by Carolina Financial Advisors. Depending on client preferences and where the account is custodied, Sheets Smith Wealth Management may deduct its fees directly from client accounts or bill clients for its fees.

Clients typically incur custodial fees and/or broker fees for trades. If client assets are custodied at Schwab Institutional, they do not pay custodial fees, but they do pay brokerage fees for trades. If the amount of household assets custodied with Schwab Institutional exceeds \$1 million, the brokerage fee is \$8.95 per trade. If the amount of household assets custodied with Schwab Institutional is less than \$1 million, the brokerage fee is \$8.95 per trade if the client is enrolled in eDelivery, otherwise the brokerage fee is \$19.95 per trade. Sheets Smith Wealth Management reviews custodial fees charged by custodians for clients to determine whether such fees are competitive under the circumstances. For investments in mutual funds, the Firm generally utilizes no-load mutual funds in client accounts. For Schwab Institutional clients, the Firm also

attempts to minimize transaction costs by utilizing Schwab OneSource no-load funds that do not carry a transaction fee.

Clients who invest in mutual funds are advised that they are paying the mutual fund management fees in addition to the fees charged by the Firm. This includes the Piedmont Select Equity Fund which is managed by the Firm.

Clients often incur other minimal fees when securities are purchased or sold on their behalf. The Firm does not receive, directly or indirectly, any of these fees, which are typically paid directly to the client's broker-dealer, custodian, or mutual fund. These fees include, but are not limited to, exchange fees and SEC fees.

Finally, the Firm does not employ anyone who receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for client accounts or to which the Firm provides consulting expertise/services. As a result, the Firm is a "fee only" investment adviser. Accordingly, the Firm is not aware of potential conflicts of interest that could relate to any undisclosed compensation generated from client assets that the Firm manages.

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

The Firm does not charge advisory fees on a share of the capital appreciation of the funds or securities in client accounts (*i.e.*, performance-based fees). All of the Firm's advisory compensation arrangements are disclosed in Item 5.



## Item 7 – Types of Clients

Sheets Smith Wealth Management clients and prospective clients generally include wealthy individuals and families, trusts, foundations, endowments, and retirement plans. The desired minimum level of assets for new clients is \$500,000 in investable assets with the flexibility to accept new clients with fewer assets depending on a prospect's asset growth potential and relationship.

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

Sheets Smith Wealth Management advisors strive to design portfolios that match realistic return expectations with each client's investment risk tolerance. Over time and depending on a client's investment risk tolerance, a portfolio will typically include a mix of stocks, bonds, and cash reserves, but may also include investments in real estate, oil and gas, private equity, foreign securities, and gold. Relative concentrations of investments in intangible versus tangible assets are determined by taking into consideration client objectives, investment risk tolerance, and the Firm's advisors long-term performance expectations.

The Firm's equity investment goal is to buy stock in good companies that are growing at an appreciable rate, but whose stock is trading at reasonable or perceived undervalued prices. The Firm's advisors take a long-term view on equity investments to help minimize client tax consequences and trading costs. This long-term view often leads to buying, and holding for the long term (*e.g.*, for periods exceeding one year), industry leading companies that advisors believe will remain industry leaders for the foreseeable future.

The Firm's approach to fixed-income investments is to spread such investments across maturities to provide clients with a range of maturity dates. If the Firm's advisors feel strongly about the future direction of interest rates, the Firm's advisors will rebalance a client's account to reflect that opinion.

Some of the Firm's advisors also use Exchange Traded Funds (ETFs) in asset allocation based accounts rather than stocks and bonds in order to meet client objectives. These asset allocations are adjusted periodically based on market conditions.

For real estate investing, the Firm's advisors primarily use real-estate investment trusts (REITs) and commercial real estate property investments. The Firm's advisors have more than 70 years of combined real estate investment experience.

Cornell Bowden, who manages assets for wrap accounts, bases his stock selection on earnings growth and the value of a company relative to the stock market as a whole.

The Firm uses street research (*i.e.*, research received over e-mail from the major investment banks), periodicals such as the Wall Street Journal, Barron's, and Forbes, ValueLine Investment Survey, WONDA (William O'Neil's online institutional investment data research tool), research from Schwab Institutional, and more general investment information from reputable websites to help formulate its investment strategies.

Securities markets can and often do fluctuate substantially, even over short periods of time. Investing in equities, fixed-income, mutual funds, ETFs and real estate involves a risk of loss and clients need to be prepared for the potential that their account may sustain substantial losses. The risk of loss includes the loss of principal (*i.e.*, the amount invested) and any unrealized profits (*i.e.*, any gain in the value of the securities before they are sold to “lock in” the profit).

The Firm cannot guarantee any level of performance or that client accounts will not experience losses. In addition, the Firm’s private equity investments involve a significant amount of risk because such investments are often illiquid and the underlying ideas, management teams, and companies may not be successful. When recommending a private equity investment, the Firm’s advisors evaluate these risks in comparison to the potential rewards of the investment and only recommend an investment if they believe that such an investment is suitable for a particular client. Before establishing accounts with Sheets Smith Wealth Management, all clients are briefed before their assets are invested to make clear that the risk of complete loss of principal and unrealized gains is possible.

## **Item 9 – Disciplinary Information**

Neither Sheets Smith Wealth Management, nor any employee of the Firm, has had: (1) any civil or criminal actions brought against them; (2) any administrative proceedings before the SEC, any other federal regulator agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization.

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

Sheets Smith Wealth Management serves as the adviser of the Piedmont Select Equity Fund. The Fund is the only fund operated by the Piedmont Investment Trust, which is a registered investment company under the Investment Company Act of 1940. The Firm's advisors have and will continue to invest client assets in the Fund when deemed appropriate. As with all client investments in mutual funds, clients who are investors in the Fund are advised that the Firm receives management fees from the Fund (which are consistent with the fees charged by other similar mutual funds) that are in addition to the Firm's asset-based fees.

John Sheets and David Gilbert act as general partners or managing members of various entities that invest in real estate. These entities are disclosed on Schedule D of the Firm's Form ADV, Part 1. These entities may also pay out distributions from time to time to the limited and general partners or members. Full disclosure is made to all investors and all clients who participate in these entities as limited partners or members. For example, the limited partners or members are provided with entity documentation that explains how distributions will be split among the limited and general partners or members and provides disclosure about management fees, if any.

Sheets Smith Wealth Management does not receive compensation from other investment advisers or other outside business relationships other than the sub-advisory relationship with Carolina Financial Advisors.

## Item 11 – Code of Ethics

Sheets Smith Wealth Management has adopted a Code of Ethics (the “Code”) that governs a number of potential conflicts of interest the Firm has when providing advisory services to clients. The Code is designed to ensure the Firm meets its fiduciary obligation to its clients and to instill a culture of compliance within the Firm. The Firm’s Code includes the CFA Institute Code of Ethics and Standards of Professional Conduct and Asset Manager Code of Professional Conduct. The Firm’s Code and compliance manual includes policies and procedures covering the following areas:

- Portfolio Management Processes;
- Personal Securities Transactions;
- Trading Error Policy;
- Gift Policy;
- Whistle Blowing Procedures and Protections; and
- Code of Ethics Records.

The Firm’s Code is distributed to, reviewed by, and acknowledged by each employee annually. Any amendments to the Code are distributed to all employees for their review. Paul Anthony, the Chief Compliance Officer, is responsible for distributing the Code and any amendments and verifying the receipt of employee acknowledgements. A copy of the Firm’s Code will be provided to any client or prospective client upon request by contacting Paul Anthony at (336) 765-2020 or [panthony@sheetssmith.com](mailto:panthony@sheetssmith.com).

The Firm’s Code does not prohibit personal trading by employees. As professional investment advisors, the Firm’s advisors often follow their own advice. As a result, Firm employees may purchase or sell the same or similar securities after or at the same time that the Firm places transactions for clients. (Advisors use block trades if they wish to trade securities for employee accounts at the same time as clients.) To ensure that personal trades are not executed before any client trades, the Sheets Smith administrator responsible for executing the employee trade sends out an e-mail to notify all of the Firm’s advisors, including the Chief Compliance Officer, of an employee trade request. Only after affirmative acknowledgements have been received from all of the Firm’s advisors and the Chief Compliance Officer is the administrator permitted to proceed with the employee trade. Once the trade is executed the administrator will post the trade to the “Employee Trades” folder so that firm personnel have access to all

personal trades that have been made. These procedures help ensure that the Firm and its advisors do not put their interests before the interests of clients.

As is discussed above, John Sheets and David Gilbert act as general partners or managing members of various entities that invest in real estate. These entities are disclosed on Schedule D of Form ADV, Part 1. Prior to any client investments in any of these entities, full disclosure regarding the structure, fee arrangements, and profit distributions of such entities is provided.

Sheets Smith Wealth Management is the adviser of the Piedmont Select Equity Fund in which numerous clients are invested. Prior to any investment in the Fund, clients are provided with full disclosure of the additional management fees received by the Firm as a result of the Firm's ownership of the Fund.

The Firm's advisors may effect fixed-income cross trades between client accounts, when they deem it appropriate for both client accounts involved. A cross trade is a trade in which an adviser sells a security for one client while at the same time buying it for another client. Cross trades generally occur when a client needs cash from their account which requires the sale of a fixed income security, yet the Firm's advisor still likes the valuation of the security and thus buys it for another client's account. The fixed-income broker-dealer used by the Firm charges discounted brokerage fees for effecting cross trades. All cross trades trade tickets are documented and filed for the retention period required under applicable SEC rules.

## Item 12 – Brokerage Practices

Sheets Smith Wealth Management takes its fiduciary responsibility to clients seriously. The Firm recognizes that achieving best execution on client trades is an important component of maximizing client account performance.

In most cases, the Firm executes equity trades with the firm where the client account is custodied. For example, if an account is custodied at Schwab Institutional, trades within that account will be executed by Schwab Institutional, typically using Schwab Institutional's electronic trading platform. Currently, a majority of client accounts managed by Sheets Smith Wealth Management are custodied by Schwab. Schwab's commission for each trade is \$8.95 for household relationships whose assets custodied by Schwab Institution exceed \$1 million or clients who have signed up for eDelivery. For all other accounts, the commission for each trade is \$19.95. Since Schwab Institutional is not only the broker-dealer, but also the custodian, this helps limit the potential for errors. Further, the Firm's advisors have found Schwab Institutional's electronic trading platform to be efficient and effective. Schwab Institutional, through its interface with Portfolio Center, also helps maintain accurate performance reporting. Similarly, for client accounts held at Fidelity, due to our relationship as a sub-advisor for Carolina Financial Advisors, the Firm executes all trades through Fidelity's electronic trading platform, which the Firm's advisors have also found to be efficient and effective.

For accounts held at large custodian banks, Sheets Smith Wealth Management uses various broker-dealers to execute trades in order to achieve best execution. Broker-dealers are selected according to ease of execution, timeliness, quality of service, commission rates, and ability to achieve the best price. The Firm generally pays between \$.03 and \$.05 a share for equity trades. A list of approved broker-dealers that can be used by the Firm is contained in the Firm's compliance manual. These trades are placed over the phone. Unlike electronic trading, phone orders are not necessarily executed instantly and therefore the Firm's advisors monitor the quality of trade execution received. As long as the execution price is near or better than the mean price for the security on the day the trade was called in, the Firm is generally comfortable that the broker-dealer selected provided a fair price on the trade. In the event that a broker-dealer is judged over time to have failed to provide quality service and fair execution on large trades, that broker-dealer will be removed from the Firm's approved broker-dealer list.



In certain circumstances a sizable block order may be placed with a broker-dealer via the phone and the broker-dealer instructed to “work” the order. In these instances, the price (or prices) at which the trade is executed is compared to the day’s trading range and average price of the security in question in order to determine if the broker-dealer obtained best execution.

In many cases involving fixed-income securities, the Firm uses broker-dealers who specialize in fixed-income and, therefore, are more likely to offer the desired inventory and pricing. When the Firm trades with a specific fixed-income specialist, the Firm’s advisors use bond market benchmarks to gauge the value of a specific security before executing a trade. For example, the Firm’s advisors reference the Municipal Market Data Scale to assess whether a bond’s price and yield is reasonable relative to similar fixed-income securities. For accounts custodied by Schwab Institutional, these trades are called “trade aways.” Schwab Institutional charges \$25 to process each “trade away.” Therefore, the Firm’s advisors take this extra cost into consideration before effecting any trade aways.

#### **Research and Other Soft Dollar Benefits:**

Sheets Smith Wealth Management receives investment research from various broker-dealers, mostly via e-mail or through company portals, but is not obligated to trade a required amount with any broker-dealers, except for William O’Neil and Company which requires the Firm to direct a specific amount of commissions to them in order for the Firm to continue to receive investment research products from William O’Neil and Company. The Firm believes its brokerage requirements and subsequent commissions paid to broker-dealers are generally less than most other investment counseling firms because of the Firm’s relatively low portfolio turnover. Commissions are directed to various broker-dealers in order to keep research materials and services available to the Firm. The research received in return for such commissions may not directly benefit the client accounts that pay the commissions. The Firm believes that its use of research qualifies under the safe harbor for the use of soft dollars under Section 28(e) of the Securities Exchange Act of 1934.

Schwab Institutional and Fidelity also make available to Sheets Smith Wealth Management other products and services that benefit the Firm, but that do not benefit client accounts. Some of these other products and services assist the Firm in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for

multiple client accounts); provide research, pricing information, and other market data; facilitate payment of the Firm's fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Schwab Institutional and Fidelity also make available to the Firm other services intended to help the Firm manage its business. These services may include consulting, webcasts, publications and conferences on items such as practice management, regulatory compliance, information technology, and marketing. Schwab Institutional and Fidelity may use independent third parties to help them disseminate the information from the above mentioned topics. Schwab Institutional and Fidelity provide these services to the Firm free of charge. The Firm's recommendation that clients custody their accounts at Schwab Institutional may be based in part on the benefit to the Firm of the availability of some or all of the products and services mentioned above and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab Institutional. This creates a potential conflict of interest, but, due to Schwab Institutional's low costs and outstanding service to the Firm and its clients, the Firm believes that it is able to achieve best execution using Schwab Institutional's trading platform.

**Block Trading:**

Sheets Smith Wealth Management uses block trading when buying or selling the same equity for more than one client account. Clients participating in an aggregated (block) order will receive an average share price, and all transaction costs are shared on a pro-rata basis. Partially block orders are allocated on a pro-rata basis.

**Cross Trades:**

Sheets Smith Wealth Management has a written compliance policy that prohibits advisors from executing equity cross trades. The Firm permits fixed-income cross trades if the cross trade makes sense for both clients. The last paragraph of Item 11 contains further disclosure regarding the Firm's fixed-income cross trade policy.

## Item 13 – Review of Accounts

Sheets Smith Wealth Management advisors periodically review client accounts. With access to client accounts custodied at Schwab Institutional and Fidelity via web sites, and custodial accounts at their respective banking institutions, advisors are able to review client accounts on a daily basis. The Firm's advisors also may use Portfolio Center, the Firm's portfolio management software package, to review client accounts. Data in Portfolio Center is shown based on the close of the prior business day. A monthly or quarterly statement of each client account is received by the Firm from the custodian and given to the appropriate advisor for review. Material deposits to or withdrawals from an account, as well as a corporate transaction such as a merger or acquisition involving a security held in a client account, will trigger a review of that client account. If these events call for contacting the client, the advisor will contact the client. The Firm's advisors also will review client accounts after executing block trades to verify that the allocations are correct.

The Firm's clients receive statements from their custodians on a monthly or quarterly basis. Custodian banks send paper statements, while most clients whose assets are custodied at Schwab Institutional have signed up for eDelivery and receive statements via e-mail. If clients are not signed up for eDelivery, they receive paper statements. The Firm's advisors provide performance and holdings reports to clients upon request or when meetings with the clients are held. During client meetings, the Firm's advisors discuss portfolio performance, present and future investment strategy, and any events that may have led to a change in risk tolerance or time horizon for the client.

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

Sheets Smith Wealth Management receives no economic benefits from third-parties for providing investment advice, including sales awards or other prizes, to any of its clients.

Sheets Smith Wealth Management has a relationship with Steven Hoeft Consulting, LLC. Steven Hoeft Consulting, LLC is an independent contractor with whom the Firm has an arrangement to solicit prospective clients on the Firm's behalf. The Firm has a formal, written cash solicitation agreement with Steven Hoeft Consulting, LLC that describes the arrangement and compensation the Firm pays for these services. Steven Hoeft Consulting, LLC is compensated out of management fees paid to Sheets Smith Wealth Management by any prospect that becomes a client. Fees are paid in arrears just as they would be if the prospect found the Firm directly. The client pays no additional fees. Steven Hoeft Consulting, LLC is also reimbursed for certain expenses that are related to the services provided to the Firm.

## Item 15 – Custody

Sheets Smith Wealth Management has the authority to debit fees directly for its accounts that reside at Schwab Institutional. Because of this authority, the Firm is deemed, under applicable SEC rules, to have custody of client funds. However, the Firm does not hold or custody any securities or funds. The Firm mails client invoices before deducting fees from Schwab Institutional accounts. For accounts that are custodied by other custodians, the Firm notifies the custodian of the fees to be charged. The custodian then debits the client accounts and sends the Firm a single check for the client fees.

All clients receive monthly or quarterly statements from their respective custodians. Sheets Smith Wealth Management receives a courtesy copy of these statements or has access to them electronically.

## **Item 16 – Investment Discretion**

Sheets Smith Wealth Management accepts discretionary authority to manage securities accounts on behalf of all Firm clients. Prior to assuming discretionary authority, clients are provided with a written Sheets Smith Advisory Agreement to sign that provides the Firm with this discretion. Clients are also provided a current Form ADV, Part 2A and Part 2B. In some cases, transactions, purchases, and sales of securities and their amounts may be subject to client approval depending on the preferences of the particular client and the type of relationship.

## Item 17 – Voting Client Securities (*i.e.*, Proxy Voting)

Sheets Smith Wealth Management will accept authority to vote client proxies. When completing the account application for the applicable custodian, the client has the ability to grant proxy voting privileges to his or her advisor. Clients can, if they wish, direct the vote of a specific proxy or proxies by notifying us of their desire to do so. Where the Firm has proxy voting authority, the Firm has a fiduciary responsibility for voting the proxies in a manner that is in the best interests of clients.

### Proxy Voting Policies

Sheets Smith Wealth Management votes proxies related to securities held by any client in a manner solely in the interests of the client. In general, the Firm considers factors that relate to the client's investment, including how the vote will economically impact the value of the client's investment. Proxy votes generally will be cast in favor of proposals that the Firm believes maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Proxy votes generally will be cast against proposals having the opposite effect.

Specific guidelines for voting proxies reside in the Voting Guidelines that are part of the Firm's Proxy Voting Policies and Procedures.

### Conflicts

While the nature of Sheets Smith Wealth Management's business is unlikely to result in a conflict of interest with regard to proxy voting (*e.g.*, the Firm is not engaged in brokerage, underwriting, or investment banking activities), if the Firm is aware of a conflict between the interests of a client and the interests of the Firm or an affiliated person of the Firm (*e.g.*, a portfolio company is a client or an affiliate of a client of the Firm), the Firm will take the following steps:

- A. With respect to clients that are registered investment companies, the Firm will notify the client of the conflict and will vote the client's shares in accordance with the client's instructions; and
- B. With respect to other clients, the Firm will vote the proxy in accordance with the specifics of the Voting Guidelines (if addressed in the Voting Guidelines) or may abstain (if not addressed in the Voting Guidelines).

Clients can obtain information as to how their proxies were voted and the Firm's policies and procedures on voting proxies by submitting a written request.

## **Item 18 – Financial Information**

Sheets Smith Wealth Management bills its clients in arrears and does not require prepayment of fees (other than the relationship the Firm has with the managed account program at Oppenheimer, as described in Item 5 above). The Firm has an independent public accountant who is responsible for tracking finances and producing financial statements. There are no financial conditions that are likely to impair the Firm's ability to meet its contractual commitments to clients.



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

This section is not applicable to Sheets Smith Wealth Management.



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— *Wealth Management* —

**ADV Part 2B – Brochure Supplement**

**John R. Sheets, CFP**  
**Sheets Smith Wealth Management, Inc.**  
**Co-Founder and President**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: March 15, 2012

***This brochure supplement provides information about John R. Sheets that supplements the Sheets Smith Wealth Management brochure (the “Brochure”). A copy of the Brochure precedes this supplement. Please contact John R. Sheets if the Brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about John R. Sheets is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **Item 2: Educational Background and Business Expertise**

John began his career in the investment business in 1969 and has used the experience he gained from many areas of the investment field to help develop Sheets Smith Wealth Management into a uniquely qualified wealth management firm. Prior to the formation of Sheets Smith Wealth Management in 1982, John was Vice President and Manager of the Capital Management Department of Wachovia Bank and Trust in Winston-Salem, which provided financial, tax and investment counsel to the bank's wealthiest clients. Before he joined Wachovia, John's experience included work as Director of Research for Sun Trust, as a Securities Analyst for Bank of Virginia and Delphi Management, a mutual fund organization. John received a Bachelor's degree in Business Administration in 1970 from the University of Delaware and attended graduate school at University of North Carolina at Greensboro. He currently serves on the Board of Directors of various venture capital companies and Turnpike Properties, LLC. John holds the Certified Financial Planner designation (CFP) and participates in its continuing education programs (30 hours over two years) to satisfy its ongoing requirements.

### **CFP Certification Requirements**

**Education:** CFP professionals must develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study at a college or university offering a financial planning curriculum approved by CFP Board. Other options for satisfying the education component include submitting a transcript review or previous financial planning-related course work to CFP Board for review and credit, or showing the attainment of certain professional designations or academic degrees.

**Examination:** CFP practitioners must pass a comprehensive two-day, 10-hour CFP Certification Examination that tests their ability to apply financial planning knowledge in an integrated format. Based on regular research of what planners do, the exam covers the financial planning process, tax planning, employee benefits and retirement planning, estate planning, investment management and insurance.

**Experience:** CFP professionals must have three years minimum experience in the financial planning process prior to earning the right to use the CFP certification marks. As a result, CFP practitioners possess financial counseling skills in addition to financial planning knowledge.

**Ethics:** As a final step to certification, CFP practitioners agree to abide by a strict code of professional conduct, known as CFP Board's *Code of Ethics and Professional Responsibility*, that sets forth their ethical responsibilities to the public, clients and employers. CFP Board also performs a background check during this process, and each individual must disclose any investigations or legal proceedings related to their professional or business conduct.

### **Item 3: Disciplinary Information**

John R. Sheets, CFP has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, John R. Sheets, CFP has not had proceedings in which a professional attainment, designation or license was revoked or suspended.

### **Item 4: Other Business Activities**

John R. Sheets, CFP, is engaged in the following businesses outside of Sheets Smith Wealth Management:

- A member of VT Acquisition Partners, LLC – A real estate investment which pays distributions based on net lease income. He holds 36% of the membership interest and some of the other members are clients of Sheets Smith Wealth Management. There are no known conflicts of interest.
- A managing member of Blue Space, LLC and Club Oaks Partners, LLC. These are office and apartment investments with capital from clients of Sheets Smith Wealth Management. John R. Sheets's compensation is a share of the profits and not management fees, which limits potential conflicts of interest. All of the ownership percentages are less than a majority with the highest being 22½%. Agreements are written so that a majority-in-interest of the members control all facets of the investment including electing the management.

### **Item 5: Additional Compensation**

John R. Sheets, CFP, receives compensation from distributions as a General Partner of S & S 40 Second LP in addition to his salary. John receives compensation from board participation at Turnpike Properties, LLC and Westmed, Inc. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

### **Item 6: Supervision**

John R. Sheets, CFP is President and co-founder of Sheets Smith Wealth Management. John Sheets is responsible for supervision of the individuals providing investment advice to clients and is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder. Paul's phone number is (336) 765-2020.



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**ADV Part 2B – Brochure Supplement**

**David B. Gilbert, CFA  
Sheets Smith Wealth Management, Inc.  
Executive Vice President & Mutual Fund Manager**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: March 15, 2012

***This brochure supplement provides information about David B. Gilbert that supplements the Sheets Smith Wealth Management brochure (the “Brochure”). A copy of the Brochure precedes this supplement. Please contact David B. Gilbert if the Sheets Smith Wealth Management Brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about David B. Gilbert is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **Item 2: Educational Background and Business Expertise**

David B. Gilbert, a Chartered Financial Analyst, is an Executive Vice President of Sheets Smith Wealth Management. Mr. Gilbert has over 35 years experience in the investment business as an investment analyst and portfolio manager. Although he has specialized in managing portfolios of individual stocks, he has used selected mutual funds to provide exposure to foreign markets and to gain instant diversification in smaller accounts. On larger accounts, he has been responsible for alternative investments in a number of areas including real estate and venture capital.

Prior to joining the company in February 1994, Mr. Gilbert was President and co-founder of Salem Investment Counselors, Inc., where he was a CEO and portfolio manager. He has also provided financial and tax planning for approximately 20 high net worth individuals. Mr. Gilbert's earlier experiences include Vice President in Capital Management of Wachovia Bank and Trust Company, N.A., in Winston-Salem.

Mr. Gilbert received an M.S.B.A. in management from the University of North Carolina at Greensboro in 1973 and a Bachelor of Arts degree in psychology from the University of Arkansas in 1964. He retired as a colonel in the U.S. Army Reserve in 1994.

### **About The CFA designation**

To earn a CFA charter, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program.

The CFA Program is organized into three levels, each culminating in a six-hour exam. Completing the Program takes most candidates between two and five years (there is no limit to the number of times you can take each exam), but you can take as long as you need to complete the program.

The Program reflects a broad Candidate Body of Knowledge™ (CBOK) developed and continuously updated by active practitioners to ensure that charterholders possess knowledge grounded in the real world of today's global investment industry.

## **Item 3: Disciplinary Information**

David B. Gilbert, CFA has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory

authority; or (3) any proceedings before a self-regulatory organization. Further, David B. Gilbert, CFA has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

#### **Item 4: Other Business Activities**

David B. Gilbert, CFA, is engaged in the following businesses outside of Sheets Smith Wealth Management:

- A member of VT Acquisition Partners, LLC – A real estate investment which pays distributions based on net lease income. He holds 7.6% of the membership interest and some of the other members are clients of Sheets Smith Wealth Management. There are no known conflicts of interest.
- A managing member of Dalewood Properties, LLC and Dalewood Properties II, LLC and Dalewood Properties III, LLC as well as Blue Space, LLC and Club Oaks Partners, LLC. These are office and apartment investments with capital from clients of Sheets Smith Wealth Management. Gilbert's compensation is a share of the profits and not management fees which limits the potential for conflicts of interest. All of the ownership percentages are less than a majority with the highest being 22.5%. Agreements are written so that a majority-in-interest of the members control all facets of the investment including electing the management.

#### **Item 5: Additional Compensation**

David B. Gilbert, CFA, receives compensation from distributions as a Partner of S & S 40 Second LP in addition to his salary. He also receives compensation from being on the board of Turnpike Properties, LLC. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

#### **Item 6: Supervision**

David B. Gilbert is Executive Vice President for Sheets Smith Wealth Management. Mr. Gilbert is not responsible for supervision of the individuals providing investment advice to clients. John Sheets, as President of Sheets Smith Wealth Management, is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder. Paul's phone number is (336) 765-2020.



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**ADV Part 2B – Brochure Supplement**

**Thomas E. Cartee, Jr.  
Sheets Smith Wealth Management, Inc.  
Vice President**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: March 15, 2012

***This brochure supplement provides information about Thomas E. Cartee, Jr. that supplements the Sheets Smith Wealth Management brochure. A copy of that brochure precedes this supplement. Please contact Thomas E. Cartee, Jr. if the Sheets Smith Wealth Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about Thomas E. Cartee, Jr. is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***



## **Item 2: Educational Background and Business Expertise**

Tom joined Sheets Smith Wealth Management in 1997. His duties include financial planning and portfolio management. Tom's areas of special interest consist of asset allocation and behavioral finance. Before joining the company, Tom held positions with Banc One Capital Corporation in Columbus, Ohio, and Swiss Bank Corporation and First National Bank in Chicago. His experience at Swiss Bank included responsibility for the Credit Analysis Department and relationship management for a portfolio of Fortune 500 corporations in the Midwest. Tom received a Master of Business Administration degree from the University of North Carolina at Chapel Hill and a Bachelor's degree in Economics from Davidson College.

## **Item 3: Disciplinary Information**

Thomas E. Cartee, Jr. has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Thomas E. Cartee, Jr. has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

Thomas E. Cartee, Jr. is not engaged in any investment-related businesses outside Sheets Smith Wealth Management.

## **Item 5: Additional Compensation**

Thomas E. Cartee, Jr. does not receive additional compensation in addition to his salary. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

## **Item 6: Supervision**

Thomas E. Cartee, Jr. is Vice President for Sheets Smith Wealth Management. Mr. Cartee is not responsible for supervision of the individuals providing investment advice to clients. John Sheets, as President of Sheets Smith Wealth Management, is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder. Paul's phone number is (336) 765-2020.



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**ADV Part 2B – Brochure Supplement**

**Paul T. Anthony, CFA  
Sheets Smith Wealth Management, Inc.  
Chief Compliance Officer & Vice President**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: March 15, 2012

***This brochure supplement provides information about Paul T. Anthony that supplements Sheets Smith Wealth Management's brochure (the "Brochure"). A copy of that brochure precedes this supplement. Please contact Paul T. Anthony, Chief Compliance Officer, if the Brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about Paul T. Anthony is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **Item 2: Educational Background and Business Expertise**

Paul joined the firm in 1999 and is the company's Chief Compliance Officer and Chief Operating Officer. His responsibilities include managing client accounts, evaluating and monitoring current and potential individual private equity investments, evaluating the firm's private equity fund investments, and directing the firm's compliance program. Paul previously worked in securities lending at Goldman, Sachs & Co. in Boston. Before joining Goldman, he spent eight years at the National Security Agency as a computer engineer. Paul received a Master of Business Administration degree from the University of Maryland and a Bachelor's degree in Electrical and Computer Engineering from the University of Notre Dame.

### **About The CFA designation**

To earn a CFA charter, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program.

The CFA Program is organized into three levels, each culminating in a six-hour exam. Completing the Program takes most candidates between two and five years (there is no limit to the number of times you can take each exam), but you can take as long as you need to complete the program.

The Program reflects a broad Candidate Body of Knowledge™ (CBOK) developed and continuously updated by active practitioners to ensure that charterholders possess knowledge grounded in the real world of today's global investment industry.

## **Item 3: Disciplinary Information**

Paul T. Anthony has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Paul T. Anthony has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

Paul T. Anthony, CFA, is not engaged in any investment-related businesses outside Sheets Smith Wealth Management.

## **Item 5: Additional Compensation**

Paul T. Anthony, CFA, does not receive additional compensation in addition to his salary. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

### **Item 6: Supervision**

Paul T. Anthony, CFA is Chief Compliance Officer and Vice President for Sheets Smith Wealth Management. Mr. Anthony's phone number is (336) 765-2020. John Sheets, as president of Sheets Smith Wealth Management, is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder.



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**ADV Part 2B – Brochure Supplement**

**Jeffrey M. Christopher**  
**Sheets Smith Wealth Management, Inc.**  
**Vice President**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: March 15, 2012

***This brochure supplement provides information about Jeffrey M. Christopher that supplements the Sheets Smith Wealth Management brochure. A copy of that brochure precedes this supplement. Please contact Jeffrey M. Christopher if the Sheets Smith Wealth Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about Jeffrey M. Christopher is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **Item 2: Educational Background and Business Expertise**

Jeff joined Sheets Smith Wealth Management in 2002. His primary focus is on compounding annual returns by using diversified portfolios supported by a trend following model with the intention of reducing risk and lowering volatility. Prior to joining SSWM, Jeff was the President and Founder of Christopher Investment Counselors. He also held positions at R. J. Reynolds Tobacco Company, Merrill Lynch & Co., and Wachovia Bank. Jeff received a Bachelor of Arts degree from Duke University where he was a student athlete.

## **Item 3: Disciplinary Information**

Jeffrey M. Christopher has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Jeffrey M. Christopher has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

**Jeffrey M. Christopher** is not engaged in any investment-related businesses outside Sheets Smith Wealth Management.

## **Item 5: Additional Compensation**

**Jeffrey M. Christopher** does not receive additional compensation in addition to his salary. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

## **Item 6: Supervision**

Jeffrey M. Christopher is Vice President for Sheets Smith Wealth Management. Mr. Christopher is not responsible for supervision of the individuals providing investment advice to clients. John Sheets, as President of Sheets Smith Wealth Management, is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder. Paul's phone number is (336) 765-2020.



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**ADV Part 2B – Brochure Supplement**

**Z. Cornell Bowden**  
**Sheets Smith Wealth Management, Inc.**  
**Vice President**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: March 15, 2012

***This brochure supplement provides information about Z. Cornell Bowden that supplements the Sheets Smith Wealth Management brochure. A copy of that brochure precedes this supplement. Please contact Z. Cornell Bowden if the Sheets Smith Wealth Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about Z. Cornell Bowden is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **Item 2: Educational Background and Business Expertise**

**Z. Cornell Bowden** is Vice President of Sheets Smith Wealth Management. He is the lead portfolio manager for the Active Asset Allocation Balanced and the Quantitative Equity portfolios. For eleven years prior to joining Sheets Smith in May, 2003, Mr. Bowden was the Chief Investment Officer of Atlantic Capital Management, Ltd. His earlier portfolio management experiences include Senior Vice President and equity strategist of Companion Capital Management, Inc. As Vice President and portfolio manager of Bankers Trust of South Carolina, now Bank of America, Mr. Bowden was responsible for management of the equity funds of the trust department. He began his investment career as a securities analyst with Wachovia Bank and Trust Company, N.A. Mr. Bowden received an MBA in Finance from Emory University in 1972 and a BS in Mathematics from Duke University in 1970.

## **Item 3: Disciplinary Information**

Z. Cornell Bowden has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Z. Cornell Bowden has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

Z. Cornell Bowden is not engaged in any investment-related businesses outside Sheets Smith Wealth Management.

## **Item 5: Additional Compensation**

Z. Cornell Bowden does not receive additional compensation in addition to his salary. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

## **Item 6: Supervision**

Z. Cornell Bowden is Vice President for Sheets Smith Wealth Management. Mr. Bowden is not responsible for supervision of the individuals providing investment advice to clients. John Sheets, as President of Sheets Smith Wealth Management, is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder. Paul's phone number is (336) 765-2020.





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**ADV Part 2B – Brochure Supplement**

**Andrew L. Smith, Jr.  
Sheets Smith Wealth Management, Inc.  
Vice President**

120 Club Oaks Court, Suite 200  
Winston-Salem, North Carolina 27104

336-765-2020

[www.sheetssmith.com](http://www.sheetssmith.com)

Dated: July 3, 2012

***This brochure supplement provides information about Andrew L. Smith Jr. that supplements the Sheets Smith Wealth Management brochure. A copy of that brochure precedes this supplement. Please contact Andrew Smith if the Sheets Smith Wealth Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

## **Item 2: Educational Background and Business Expertise**

Andrew L. Smith Jr. is Vice President of Sheets Smith Wealth Management. Prior to joining Sheets Smith, Mr. Smith spent fourteen years with Cypress Trust company. During that time he served as President and Chief Investment Officer. Before Cypress, he was a Senior Vice President at Bessemer Trust Company for eight years where he was a member of the Stock Selection and Investment Strategy committees. He also was the Senior Investment Person for Florida. Mr. Smith began his investment career at US Trust in New York City. In his eighteen years with the Trust Company he was a Senior Vice President, and Director of the Florida Trust Company, and the Senior Investment Officer for Florida. Mr. Smith received a BA in History from Houghton College (New York) and did graduate work in Finance at Fordham Business School.

## **Item 3: Disciplinary Information**

Andrew L. Smith Jr. has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Andrew Smith has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

Andrew L. Smith Jr. is not engaged in any investment-related businesses outside Sheets Smith Wealth Management.

## **Item 5: Additional Compensation**

Andrew L. Smith Jr. does not receive additional compensation in addition to his salary. The firm has deemed any gift under \$100 allowable and does not create a conflict of interest for the employee receiving the gift.

## **Item 6: Supervision**

Andrew L. Smith Jr. is Vice President for Sheets Smith Wealth Management. Mr. Smith is not responsible for supervision of the individuals providing investment advice to clients. John Sheets, as President of Sheets Smith Wealth Management, is responsible for the actions of all supervised personnel. Paul Anthony is the Chief Compliance Officer for Sheets Smith Wealth Management and, as CCO, supervises all of the Firm's advisors to help ensure that their conduct conforms to the firm's code of ethics, compliance manual, and the Investment Advisor's Act of 1940 and the rules promulgated thereunder. Paul's phone number is (336) 765-2020.