



## *About Us*

# Cherry Bekaert Wealth Management LLC

### Part 2A of Form ADV The Brochure July 2015

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This brochure provides information about the qualifications and business practices of Cherry Bekaert Wealth Management LLC ("Cherry Bekaert Wealth Management," "Us," "We," the "Firm," or the "Company"). If you have any questions about the contents of this brochure, please contact us at 804-673-4224. Additional information about us is also available on the SEC's website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Cherry Bekaert Wealth Management is registered as an investment adviser with the United States Securities and Exchange Commission (the "SEC") under the Investment Advisers Act of 1940 (the "Advisers Act"). Registration as an investment adviser with the SEC does not imply a certain level of skill or training. In addition, the information in this Brochure has not been approved or verified by the SEC or by any state securities authority.

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## *Material Changes*

Cherry Bekaert Wealth Management's most recent update to Part 2 of Form ADV was made in November 2015. No material changes have been made since our last update.

## Advisory Business

Cherry Bekaert Wealth Management commenced business in August of 1998 and registered as an investment adviser with the U.S. Securities and Exchange Commission in June of 2005. The Firm is wholly owned by the accounting firm Cherry Bekaert LLP. As of April 30, 2016 the Firm managed approximately \$304 million on a discretionary basis and \$7.7 million on a non-discretionary basis.

### Private Client Services

#### Portfolio Management

Cherry Bekaert Wealth Management works with clients to develop a strategic asset allocation plan consistent with the client's investment objective, time horizon, desired rate of return and risk tolerance.

A Cherry Bekaert Wealth Management Financial Advisor will typically recommend a model portfolio of open-end mutual funds consistent with the client's investment policy. The Financial Advisor also recommends certain investment-grade fixed income securities should they be appropriate for the client. The client's unique circumstances and needs will be considered and the client has the ability to place certain investment restrictions over the account.

Cherry Bekaert Wealth Management also provides consolidated reporting services for certain clients. Consolidated financial account reporting provides a single document that combines information regarding certain of the client's financial holdings, such as 401(K) holdings, regardless of where those assets are held or managed.

#### The Process

*Financial Analysis.* Our Financial Advisors work with the client to establish financial goals. We analyze and evaluate the client's current financial status by reviewing the client's current investment strategy and investment objectives. We assess the client's risk tolerance based upon age, income, education, need for cash flow and emotional tolerance for volatility.

*Asset Allocation Strategy.* After reviewing the client's current situation, we develop an investment planning strategy that meets the client's stated goals and objectives.

*Investment Policy Statement.* We then set forth the client's objectives in a written Investment Policy Statement which describes an asset allocation strategy that conforms to a client's risk tolerance and objectives.

*Implementation.* We work with the client to develop a plan to transition from the client's existing portfolio to the portfolio recommended by Cherry Bekaert Wealth Management. We assist the client in establishing an account at the agreed-upon qualified custodian and begin the transition process.

*Monitoring and Advice.* Once it is funded, we monitor the portfolio regularly, and rebalance as needed to adhere to the Investment Policy Statement. We are always available to meet with clients as necessary regarding their portfolio.

## Financial Planning Services

Cherry Bekaert Wealth Management also provides financial planning services. We work with clients to design a customized strategy developed around the client's stated financial goals and objectives.

Areas of Financial Planning services include:

Retirement (Financial Independence) Planning  
Estate Planning  
Investment Planning

Personal Risk Management  
Insurance Needs Analysis  
Business Succession Planning

Our Financial Advisors may team with members of Cherry Bekaert LLP ("Cherry Bekaert") who specialize in services such as estate and trust planning. We also offer specific consultation and administrative services regarding investment and financial concerns. Additionally, we provide advice on non-securities matters, generally in connection with the rendering of estate planning, insurance, and annuity advice. We can provide Financial Planning Services under a separate Engagement Letter or ongoing as agreed to in the Investment Advisory Agreement.

## Third-Party Investment Managers

Cherry Bekaert Wealth Management recommends an independent third-party investment manager should a client wish to invest in individual securities for which we do not provide advice.

## *Retirement Plan Services*

### Plan Consulting

Cherry Bekaert Wealth Management and its affiliates also provide certain investment advisory and consulting services to employer-sponsored pension and profit-sharing retirement plans. Consulting services generally include: creating and monitoring an Investment Policy Statement; providing direction to the plan trustees with regard to mutual fund mix selection; conducting an investment annual review; supporting ongoing participant education; and providing overall annual review of the plan, including benchmarking fee and value for reasonableness.

The assets of the plans for which we provide consulting services total approximately \$106 million as of April 30, 2016, and are not included in our calculation of assets under management as disclosed above.

### Portfolio Management

Cherry Bekaert Wealth Management serves as investment manager to certain retirement plans. In such circumstances, the Firm accepts discretion to select available investments for the plan. We include such plans in our calculation of assets under management as disclosed above.

## *Fees and Compensation*

### **Fees for Portfolio Management Services**

We base the annual fee for investment management services on a percentage of assets under management and generally charge as follows:

Aggregate Account Value	Flat Fee
\$0 to \$1,000,000	1.50%
\$1,000,001 to \$5,000,000	1.25%
5,000,001 to \$10,000,000	1.00%
\$10,000,001 +	0.85%

We outline specific annual fees in the Investment Advisory Agreement signed by the client and Cherry Bekaert Wealth Management; this chart serves as a guideline. We negotiate fees case by case based on the client facts, circumstances, and needs, and may charge different fees for similar services, some less than the stated fee schedule. Fees may be reviewed and re-negotiated with the client depending on the size of account, time spent or other services provided.

We generally bill clients in advance at the beginning of each calendar quarter based upon the value of the account(s) at the end of the previous quarter. If the client does not have a Schwab account, we will send the invoice directly to the client. In addition, some custodians may bill in arrears monthly or quarterly. New clients normally pay pro-rated fee based upon the number of days we managed or advised the account during the quarter.

### **Fees for Third-Party Investment Managers**

We typically charge an annual fee ranging from 0.10% to 1.0% of the account value as negotiated with the client. The fee will vary depending on the account size, the option selected, and the complexity of your situation. In addition to our fee, the third-party investment advisor charges a management fee typically ranging from 0.10% to 1.0% of the assets in the account. These "layered" fees are cumulative and the Client will pay both. Information on the fees charged by the third-party investment advisor can be found in its ADV Part 2A. Clients are billed in advance at the beginning of each calendar quarter based upon the value of the client's account at the end of the previous quarter. We pro-rate the quarterly fee for new accounts based on the date of initial deposit or when the account is fully funded.

### **Fee Schedule for Financial Planning Services**

The Financial Planning Services fee is based on the services provided and the complexity of each client's circumstances, as outlined in an Engagement Letter. The fee is typically charged upon completion of the financial planning service, however fees may be charged quarterly depending on the services provided.

- A fixed fee with the total depending on the specific service requested and the nature and complexity of each client's circumstances.
- An hourly fee ranging from \$100–\$500 per hour, depending on the nature and complexity of each client's circumstances and the individual performing the work.

## Fee Schedule for Plan Consulting Services

The annual fee for Plan Services is based on a percentage of assets under advisement up to 1.40% percent. The fee is negotiable and depends on the services requested and the size of the plan. Accounts are generally billed in arrears at the end of the quarter for which services were rendered based upon the value of the account as of the last business day of the fee period. For new accounts, the initial fee will be pro-rated from the effective date of the Plan Consulting Agreement.

## Termination of Advisory Relationship

Our service may be terminated by the client or us upon thirty (30) days' written notice in accordance with the Investment Advisory Agreement. Upon termination, the fees charged for advisory services will be pro-rated and a refund for any unearned fees will be issued. The client is responsible to pay for services rendered until the termination of the agreement.

## General Fee Information

**Direct Debiting of Client Accounts.** Advisory fees may be invoiced or direct debited from the client's account. We direct debit our advisory fee only if the following conditions are met: (1) the client provides written authorization permitting our fees to be paid directly from the client's account; (2) the client verifies the accuracy of the fee calculation submitted by Cherry Bekaert Wealth Management and promptly notifies us and the custodian of any discrepancy; and (3) the custodian agrees to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid to us.

**Mutual Fund Fees and Other Transaction Costs.** In addition to Cherry Bekaert Wealth Management's investment management fees, clients bear trading costs and custodial fees. Our fees are also separate and distinct from the fees and expenses mutual funds charge to their shareholders. Each mutual fund prospectus describes these fees and expenses, which generally include a management fee, other fund expenses, and in some cases a distribution fee. If the fund also imposes sales charges, a client will pay an initial or deferred sales charge.

**Additional Fees.** Financial Advisors occasionally recommend brokerage products to our clients. Brokerage products charge a commission at the time of sale. Depending on the date of the sale, an advisory fee may have previously been collected by Cherry Bekaert Wealth Management on the assets used to purchase the product; we will review the timing and circumstance and may rebate part or all of advisory fee. Commissions on the sale of securities or investment products also create a conflict of interest because the Financial Advisor has an incentive to recommend products based on compensation rather than the client's needs. Cherry Bekaert Wealth Management addresses this conflict of interest by requiring the Financial Advisor to act in the client's best interest at all times, regardless of the services provided or recommended. We also restrict the amount of brokerage products that Financial Advisors may recommend to advisory clients. Clients should be aware that they have the option to purchase brokerage products from other brokers or agents not affiliated with Cherry Bekaert Wealth Management.

**Cherry Bekaert Benefits Consulting, LLC ("CBBC").** CBBC is a joint venture affiliate of Cherry Bekaert LLP and Chernoff Diamond & Co. CBBC has employees who are registered with M Holdings Securities, Inc., which is also a FINRA-registered broker-dealer. There may be times when CBWM employees refer advisory clients to CBBC for consulting administration and brokerage services that are not otherwise available. In these cases, our employees will, subject to proper licensing if and as required, receive referral fees. In order to manage potential conflicts of interest, CBWM performs a product and services cost-benefit analysis. We also have policies which restrict the types and limits of brokerage products that may be sold to clients. Clients may pay advisory fees on assets used to purchase one or more brokerage products in the quarter in which the purchase recommendation was made. Clients should be aware that they have the option to purchase brokerage products from other

brokers or agents as well. Cherry Bekaert Wealth Management and CBBC are affiliated companies, but CBWM is not affiliated with M Holdings Securities, Inc.

**Additional Compensation.** See Other Financial Industry Activities and Affiliations for information on the receipt of commissions.

## *Performance-Based Fees and Side-by-Side Management*

Performance-based fees are fees based on a share of capital gains on or capital appreciation of a client's assets. Cherry Bekaert Wealth Management does not charge performance-based fees. Therefore, the Firm does not manage or advise client accounts that would result in conflicts created with the side-by-side management of client accounts.

## *Types of Clients*

Cherry Bekaert Wealth Management provides advice to individuals, including high-net-worth individuals; pension, profit sharing and 401(k) plans; trusts; estates; charitable organizations; corporations, and other business entities.

We typically impose a minimum account size requirement of \$500,000 for investment management services, which may be waived under certain circumstances. The minimum is negotiable at our discretion and we may impose minimum annual advisory fees.

The client is responsible for notifying the Financial Advisor when there is any change in financial circumstances, investment time horizon, investment objectives or other information that affects the Investment Policy Statement.

## *Methods of Analysis, Investment Strategies and Risk of Loss*

In providing investment advice to our clients, we incorporate the principles of Modern Portfolio Theory, which is based on four premises: clients are inherently risk-averse; markets are basically efficient; the investment focus should shift from an individual securities analysis toward consideration of the portfolio as a whole; and for any level of risk a client is willing to accept, there is a corresponding target rate of return. Our model allocation strategies are structured for the long term.

We have established equity and fixed income allocation strategies made up of mutual funds vetted and approved by our Investment Committee. A strategy can be modified should a client not want exposure to a specific style (e.g., emerging markets), if a client has exposure to a specific style directly (e.g., REITs), or for certain reasons agreed upon between the client and the Financial Advisor. In addition, Financial Advisors may recommend certain investment-grade fixed income securities or other investment vehicles depending on the client's needs. It is possible that a client may hold securities not recommended by us. These securities are typically held pursuant to a portfolio implementation plan.

The Investment Committee meets regularly, but no less than quarterly, to review among other things general market and financial information; the allocation strategies employed by the Firm, including benchmark comparisons; and the approved mutual fund list. Changes are incorporated as market

conditions warrant. To conduct initial and ongoing due diligence, the Investment Committee uses such various tools and information as security rating services, commercially available software, market and financial information, issuer-prepared information, mutual fund performance, and prospectuses.

## **Risk of Loss**

Investing in securities involves risks of loss that clients should be prepared to bear. Performance could be hurt by a number of different factors including:

**Loss of Principal.** All investments present the risk of loss of principal. We cannot give any guarantee that a client will achieve the stated investment objectives. The value of a client's investment could decline and be worth less than the principal initially invested. In addition, mutual funds are not insured or guaranteed by an agency of the U.S. government.

**Management Fees.** Investing in mutual funds and third-party investment advisors generate multiple levels of fees and expenses. A client investing in mutual funds will pay management fees to us and the mutual fund. Thus, the client will be subject to higher management fees.

**Market Risk.** The return on and value of an investment in each account fluctuates in response to stock market movements. Mutual funds invest in common stocks and other securities which are in turn subject to market risks, such as a rapid increase or decrease in a security's value or liquidity, and fluctuations in price due to earnings, economic conditions and other factors beyond our control. A company's share price may decline if a company does not perform as expected, if it is not well-managed, if there is a decreased demand for its products or services, or during periods of economic uncertainty or stock market turbulence, among other conditions. The stock markets can be volatile and stock prices can change dramatically.

**Investment Style and Management Risk.** Our method of security selection may not be successful and each account may underperform relative to other advisors that employ similar investment strategies.

## *Disciplinary Information*

Cherry Bekaert Wealth Management is required to disclose any legal or disciplinary events that would be material to your evaluation of us. We have no legal or disciplinary events to disclose.

## *Other Financial Industry Activities and Affiliations*

**Cherry Bekaert LLP ("Cherry Bekaert").** We are a wholly owned subsidiary of Cherry Bekaert, a firm engaged in the practice of public accounting. We do not believe the relationship between us and Cherry Bekaert presents any material conflicts of interest. Clients of the accounting firm who are in need of portfolio management plan services are often referred to us for assistance. Employees of the accounting firm are not compensated for client referrals.

**Cherry Bekaert Benefits Consulting, LLC ("CBBC").** CBBC is a joint venture affiliate of Cherry Bekaert, LLP and Chernoff Diamond & Co. CBBC provides consulting, administrative, implementation and procurement services for group health and benefit plans, qualified and non-qualified retirement



plans, executive compensation and human capital, risk management/property and casualty insurance, and private client insurance. In certain circumstances, CBWM may provide investment advisory services to retirement plans such as 401(K)s and defined benefit plans, while CBBC provides consulting, actuarial, recordkeeping and/or Third Party Administrator services to those plans. CBBC and CBWM charge a separate and unique fee for the services each provides. We do not compensate CBBC for any services, nor are CBWM clients obliged to use CBBC's services.

**Purshe Kaplan Sterling Investments ("PKS").** PKS is a FINRA-registered broker-dealer. We have employees who are registered representatives of PKS and are eligible to receive commissions for selling security products to investors. In order to manage potential conflicts of interest, we have established policies which restrict the types and limits of brokerage products that may be sold to clients. Employees cannot earn a commission from an advisory client unless the amount of the commission has been fully disclosed to the client in writing. Clients may pay advisory fees on assets used to purchase brokerage product in the quarter in which the recommendation to purchase the brokerage product was made. Cherry Bekaert Wealth Management and PKS are not affiliated companies.

**Insurance Agency.** In addition to being a registered investment adviser, we are also a licensed insurance agency in certain states where we conduct business. We have employees who are licensed as insurance agents and eligible to receive commissions for selling insurance products to clients. Employees cannot earn a commission from an advisory client unless the amount of the commission has been disclosed to the client in writing. In addition, the client is under no obligation to purchase insurance products through us.

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

Cherry Bekaert Wealth Management has adopted a Code of Ethics (the "Code") expressing the Firm's commitment to ethical conduct. The Code is designed to, among other things, ensure that employees comply with applicable federal securities laws and that decisions about the best interests of our clients will not be compromised or appear to be compromised by the personal interests of any employee. The Code requires that employees provide annual securities holdings reports and quarterly transactions reports to the Chief Compliance Officer and that any transactions in initial public offerings or private placements be pre-approved. Cherry Bekaert Wealth Management employees are permitted to invest in the same securities recommended for clients. Because we primarily recommend open-end mutual funds, which trade once per day, the risk of front-running client accounts is not probable. Employee trades should be executed in a manner consistent with the Firm's fiduciary obligation to our clients. Trades should avoid actual improprieties as well as the appearance of impropriety.

Cherry Bekaert Wealth Management will provide a copy of its Code of Ethics to any client or prospective client upon request. The Code may be requested by calling the number on the cover of this brochure.

## *Brokerage Practices*

When managing client accounts we generally recommend that clients arrange for their assets to be held with Charles Schwab & Co., Inc. ("Schwab"). Schwab generally does not charge clients separately for custody services but is compensated by charging transaction fees on trades that it executes or that settle into the Schwab account. Please review the Terms in Schwab's account application.

Certain client accounts are not custodied at Schwab. For these accounts, trades are generally placed directly with the client's custodian. Examples of such accounts are plan consulting and advisory services for employer-sponsored retirement plan accounts.

Schwab makes various support services available to both Cherry Bekaert Wealth Management and our clients. Some of these services help us to manage or administer our clients' accounts, while others help us to manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The availability of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

**Services that Benefit Clients.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit clients and their accounts.

**Services that May Not Directly Benefit Clients.** Schwab also makes available to us other products and services that benefit us but may not directly benefit clients or their accounts. These products and services assist us in managing and administering clients' accounts. They include investment research, both Schwab's own and that of third parties. We use this research to service all or some substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

**Services that Generally Benefit Only Us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal and business consulting; and
- publications and conferences on practice management and business succession.

Schwab provides some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services, or pay all or a part of a third party's fees. Schwab may also provide us with other benefits such as occasional business entertainment of our personnel. All of the benefits highlighted do not depend on the amount of transactions directed by the Company to Schwab.

While Cherry Bekaert Wealth Management has the ability to use other brokers to place trades, all trades will be placed through Schwab since it also serves as the custodian. Any time the Company places trades with other brokers, Schwab charges clients trade-away fees, and the Company believes these fees outweigh any benefits when placing trades with other brokers.

**Directed Brokerage.** Clients may direct us to use particular brokers for executing transactions. Clients who direct us to use particular brokers may pay higher transaction fees and/or commissions than those who do not. For any trades in fixed income or other non-mutual fund products, if a client directs us to use a particular brokerage it could result in an unfavorable trade execution when compared to the trades that are run through Schwab. We reserve the right to decline acceptance of any client account that directs the use of a broker dealer other than Schwab, if we believe that the broker-dealer would adversely affect our fiduciary duty to the client and/or the ability to effectively service the client portfolio.

**Aggregate Trading.** Since we primarily invest in mutual funds we do not typically aggregate trades when buying or selling the same mutual fund across client accounts. Instead we communicate individual orders directly to the broker dealer, e.g. Schwab, and all clients receive the same closing price. Should it be in the client's best interest, we may in certain circumstances allocate trades across multiple accounts.

## *Review of Accounts*

Client accounts are continually monitored. The Financial Advisor's review process includes:

- Assessing client goals and objectives;
- Reviewing the client's financial situation;
- Evaluating the employed strategy;
- Monitoring the performance and asset class exposures; and
- Addressing the need to rebalance the portfolio.

Performance reports are provided upon request and custodial statements are provided by the custodian no less than quarterly.

## *Client Referrals and Other Compensation*

We compensate third parties (the "Solicitor") for client referrals. The Solicitor's primary role is to introduce us to prospective clients ("Solicited Client"). For each Solicited Client referred to us, the Solicitor receives a percentage of all investment management fees we collect. The Solicitor is required to provide a written solicitor disclosure statement at the time of the solicitation. The statement will disclose many items including the amount of compensation the Solicitor will receive.

## *Custody*

All Client assets are held in custody by unaffiliated broker dealers, however a registered investment adviser that can debit accounts to collect fees is considered to have custody. Rule 206(4)-2 imposes a number of requirements on an SEC-registered investment adviser that is deemed to have custody of its clients' funds and securities.

To comply with Rule 206(4)-2 and to provide meaningful protection to our clients' accounts, the account custodians send statements directly to the account owners at least quarterly. Clients should carefully review these statements, and should compare these statements to any account information we provide. Any fees we deduct from the account will appear on the client's custodial statement.

## *Investment Discretion*

Discretionary authority generally allows us to execute and make the following determinations about securities transactions without obtaining the client's consent: (1) which securities are bought and sold for the account; (2) the total amount of securities to be bought and sold. Our authority to make investment-related decisions may be limited by account guidelines, investment objectives and trading restrictions, as agreed between the client and Cherry Bekaert Wealth Management. Clients sign an Investment Advisory Agreement which gives us the power to direct trades in their account(s).

## *Voting Client Securities*

As a matter of Firm policy and practice, we do not exercise proxy-voting authority. The obligation to vote proxies shall at all-times rest with the client. The client may contact us with questions about voting proxies. Clients will receive applicable proxies directly from the custodian.

## *Financial Information*

Cherry Bekaert Wealth Management is required to provide certain financial information or disclosures about our financial condition. We are not aware of any financial condition that impairs our ability to meet contractual commitments to our clients and have not been the subject of any bankruptcy proceedings.