



About Us

Cherry Bekaert Wealth Management

Part 2A of Form ADV The Brochure | July 2018

PRINCIPAL OFFICE: 200 South 10th Street, Suite 900, Richmond, VA 23219.

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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 804-673-5700. Additional information about us is also available on the SEC's website at: www.adviserinfo.sec.gov. The Firm's CRD Number is 108504.

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.



Table of Contents

Materials Changes	2
Advisory Business	3
Fees and Compensation	6
Performance-Based Fees and Side-by-Side Management.....	8
Types of Clients	9
Methods of Analysis, Investment Strategies and Risk of Loss	9
Disciplinary Information	11
Other Financial Industry Activities and Affiliations	11
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Brokerage Practices	12
Review of Accounts.....	14
Client Referrals and Other Compensation.....	14
Custody	14
Investment Discretion	14
Voting Client Securities	15
Financial Information	15

Material Changes

Cherry Bekaert Wealth Management added Investment Advisory Oversight as a service offering under Private Client Services in June 2018.

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, 2018 the Firm managed approximately \$431 million on a discretionary basis and \$8.6 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, as well as Private Placement securities should they be appropriate for the client. The Financial Advisor may also recommend independent third-party investment managers should a client wish to invest in individual securities for which we do not provide advice. 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.

Our 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
- ▶ Personal Risk Management
- ▶ Estate Planning
- ▶ Insurance Needs Analysis
- ▶ Investment Planning
- ▶ Business Succession Planning

Our Financial Advisors often 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 provide Financial Planning Services under a separate Engagement Letter or ongoing planning services as stated in our Investment Advisory Agreement.

Investment Advisory Oversight Services

Cherry Bekaert Wealth Management also provides Investment Advisory Oversight services. This service offering provides ongoing oversight of client portfolios and accounts, unrelated to portfolio management services which may be provided under the terms of our Investment Advisory Agreement. This service is designed for clients with a net worth greater than \$5,000,000. This service may be approved on an exception basis for clients with a net worth of less than \$5,000,000

Investment Advisory Oversight Services may consist of any of the following services subject to the needs and desires of the client:

- ▶ Investment aggregation, performance reporting and risk metrics
- ▶ Asset allocation and strategy reviews
- ▶ Investment manager due diligence and evaluation
- ▶ Fee analysis and verification
- ▶ Tracking of inflows/outflows to investment funds and brokerage accounts
- ▶ Liaison with agents, attorneys, investment advisors, insurance brokers and banks
- ▶ Coordination and facilitation of periodic meetings with investment advisors and other affiliated parties
- ▶ Tax basis analysis and verification
- ▶ Monitoring private equity, alternative investments and commitments

Reporting and investment recommendations, if applicable, shall be written and provided in printed or electronic format.

1031 Like-Kind Exchange Advisory Services

Cherry Bekaert Wealth Management provides advice to select clients on a consultative, non-discretionary basis providing planning and/or implementation of recommendations and decisions associated with 1031 like-kind exchanges arising from the sale of real estate. Like-kind exchange transactions are only appropriate for certain sophisticated investors having a need for this type of specialized real estate and tax transaction.

Our Planning Process

Our primary planning objective during the Planning Process is to assist clients in evaluating the appropriateness, based on their goals and objectives, of entering into an IRC Section 1031 like-kind exchange related to the future sale of real estate currently owned and the benefits and risks associated with the purchase of fractional ownership interests in Delaware Statutory Trusts (“DSTs”) designed to qualify as like-kind property. We provide 1031 Like-Kind Exchange Planning Advisory Services under a separate Engagement Letter.

Our Implementation Process

Our primary objective during the Implementation Process is to assist the client with the implementation of recommendations and decisions associated with an IRC Section 1031 like-kind exchange arising from the sale of real estate, and purchase of fractional ownership interests in Delaware Statutory Trusts (“DSTs”) designed to qualify as like-kind replacement property under IRC Section 1031. We provide 1031 Like-Kind Exchange Implementation Advisory Services under a separate Engagement Letter.

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 \$135 million as of April 30, 2018, 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 at times 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 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 can 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 Investment Advisory Oversight Services

The Investment Advisory Oversight 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 quarterly depending on the services provided.

- ▶ An annual advisory fee ranging from 0.10% to 1.4% of the account value as negotiated with the client. The fee will vary depending on the account size, the services provided, and the complexity of your situation. 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 the Engagement Letter is signed.
- ▶ 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.

Fees for 1031 Like-Kind Exchanges

Cherry Bekaert Wealth Management charges consulting fees for its 1031 like-kind exchange advisory services. Consulting fees are charged on an hourly or per project basis. Overall consulting fees vary from client to client depending on scope, complexity and duration of services. CBWM does not charge ongoing asset management or monitoring fees in connection with 1031 investments on which CBWM advises clients, unless specifically agreed with the client. CBWM does not receive compensation from 1031 investment sponsors, brokers or service providers in connection with these consulting services. As with other fees charged by CBWM, CBWM mitigates potential conflicts of interest in connection with fees charged for 1031 like-kind exchange advisory services by adhering to the American Institute of Certified Public Accountants ("AICPA") Code of Ethics.

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 are 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 Arising From Dually Registered Representatives

Financial Advisors who are dually registered with Purshe Kaplan Sterling Investments ("PKS") may occasionally recommend brokerage products to our clients. These brokerage products charge a commission at the time of sale. Depending on the date of the sale, if an advisory fee has previously been collected by Cherry Bekaert Wealth Management on the assets used to purchase the product; we will review the timing and circumstance and determine whether or not to 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 type of brokerage products that Financial Advisors 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 are 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 can be sold to clients. In some cases, clients 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 is 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 are permitted to recommend certain investment-grade fixed income securities or other investment vehicles depending on the client's needs. In some cases clients 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.

Interest Rate Risk

Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Currency Risk

Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Liquidity Risk

Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Risk of Investing in Mutual Funds

Investing in mutual funds carries inherent risk. The major risks of investing in a mutual fund include the quality and experience of the portfolio management team and its ability to create fund value by investing in securities that have positive growth, the amount of individual company diversification, the type and amount of industry diversification, and the type and amount of sector diversification within specific industries. In addition, mutual funds tend to be tax inefficient and therefore investors may pay capital gains taxes on fund investments while not having yet sold the fund.

Investment Style and Management Risk

Our method of security selection has not always been successful and accounts have underperformed and outperformed 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 provides 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 are 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 can 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 Do Not Always Benefit Clients

Schwab also makes available to us other products and services that benefit us but do not always 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, currently all trades are placed through Schwab since they also serve 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 have the ability to direct us to use particular brokers for executing transactions. Clients who direct us to use particular brokers sometimes 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 will 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 is, in some cases 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). With respect to any account for which Cherry Bekaert Wealth Management meets the definition of a fiduciary under Department of Labor rules, Cherry Bekaert Wealth Management acknowledges that Cherry Bekaert Wealth Management and its Related Persons are acting as

fiduciaries. Additional disclosure is found elsewhere in this Brochure or in the written agreement between Cherry Bekaert Wealth Management and the Client.

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.