

## Brochure

### Form ADV Part 2A

#### Item 1 - Cover Page

**Cahaba Wealth Management, Inc.**  
**CRD# 151675**

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

**May 14, 2021**

This Brochure provides information about the qualifications and business practices of Cahaba Wealth Management, Inc. If you have any questions about the contents of this Brochure, please contact us at (404) 549-7678 or [william.jackson@cahabawealth.com](mailto:william.jackson@cahabawealth.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Cahaba Wealth Management, Inc. is an investment advisory firm registered with the appropriate regulatory authority. Registration does not imply a certain level of skill or training. Additional information about Cahaba Wealth Management, Inc. also is available on the SEC's website at [www.AdviserInfo.sec.gov](http://www.AdviserInfo.sec.gov).

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Cahaba Wealth Management, Inc. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

Since our last annual updating amendment filing dated March 24, 2020, we are advising *Item 18 Financial Information* below has been updated to disclose a Paycheck Protection Program ("PPP") loan our Firm has taken to support our ongoing operations.

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## Item 4 Advisory Business

### **General Information**

Cahaba Wealth Management, Inc. ("Cahaba") was formed in 2009, and offers a comprehensive package of wealth management services to its individual and corporate clients. These services include investment management and comprehensive financial planning.

Brian P. O'Neill, George H. Wideman, William D. Jackson, and Christopher D. Cronkell are the principal owners of Cahaba. Please see **Brochure Supplements**, Exhibit A, for more information on these principal owners and other individuals who formulate investment advice and have direct contact with clients, or have discretionary authority over client accounts.

As of December 31, 2020, Cahaba managed \$949,969,014 on a discretionary basis, and no assets on a non-discretionary basis.

### **SERVICES PROVIDED**

At the outset of each client relationship, Cahaba spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and broadly identifying major goals of the client.

Clients may elect to retain Cahaba to prepare a full financial plan as described below. This written report is presented to the client for consideration. In many cases, clients subsequently retain Cahaba to manage the investment portfolio on an ongoing basis.

For those financial planning clients making this election, and for other clients who do not need financial planning but retain Cahaba for portfolio management services, based on all the information initially gathered, Cahaba generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile" or "Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan" or "Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments Cahaba will make on behalf of the client to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

With respect to any account for which Cahaba meets the definition of a fiduciary under Department of Labor rules, Cahaba acknowledges that both Cahaba and its Related Persons are acting as fiduciaries. Additional disclosure may be found elsewhere in this Brochure or in the written agreement between Cahaba and Client.

### **Financial Planning Services**

One of the services offered by Cahaba is financial planning. This service may be provided as a stand-alone service, or may be coupled with ongoing portfolio management.

The primary objective of the Financial Planning services is to provide the client with a balanced financial plan creating the necessary cash flow to meet the client's living standards and sound, suitable investments for future income. Financial planning generally includes advice that addresses one or more areas of a client's financial situation, such as estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, and investment portfolio design.

Depending on a client's particular situation, financial planning may include some or all of the following:

- Gathering factual information concerning the client's personal and financial situation;
- Assisting the client in establishing financial goals and objectives;
- Analyzing the client's present situation and anticipated future activities in light of the client's financial goals and objectives;
- Identifying problems foreseen in the accomplishment of these financial goals and objectives and offering alternative solutions to the problems;
- Making recommendations to help achieve retirement plan goals and objectives;
- Designing an investment portfolio to help meet the goals and objectives of the client;
- Providing estate planning;
- Tax planning;
- Assessing risk and reviewing basic health and life insurance needs
- Reviewing goals and objectives and measuring progress toward these goals.

As part of the financial planning process, Cahaba also provides business succession advice, determination of long term care or disability insurance needs and evaluation of employee benefits. Cahaba may also offer limited administrative services, which include cash flow management, document and record management, and coordination of external advisers. These services are offered in conjunction with financial planning services.

Once financial planning advice is given, the client may choose to have Cahaba implement the client's financial plan and manage the investment portfolio on an ongoing basis. However, the client is under no obligation to act upon any of the recommendations made by Cahaba under a financial planning engagement and/or to engage the services of any recommended professional

Clients may also engage Cahaba to provide ongoing monitoring and continuous advice relating to the financial plan.

### **Wealth Management Services**

Cahaba Wealth Management views investment management as part of the comprehensive financial plan. We use varying tools and experiences to guide us to recommending an appropriate asset allocation to help our clients achieve their goals. These include, but are not limited to:

1. Long-Term Cash Flow Projections - The basis of any investment recommendations come from a comprehensive review of our clients cash flow, comfort with risk, and time horizon for needing from their assets. We use detailed cash flow projections, updated regularly, to determine to the best of our ability when assets might be needed, the tax consequences of withdrawing from specific accounts, and whether a recommended portfolio would have the ability to create returns necessary to achieve goals.
2. Risk Tolerance Questionnaire - We utilize risk tolerance questions to help create a "Risk Score" for each client for whom we actively manage assets. This serves as a second data point, in addition to the overall view of the financial plan and cash flow projections, to choose an appropriate risk model for the recommended portfolio.
3. Risk Discussions With Clients - In addition to the more technical data points mentioned above,

we rely heavily on the ongoing communications we have with our clients and our knowledge of their personal financial situation to give additional support for a recommended asset allocation.

After taking all of the pertinent information into account, we will recommend a portfolio based on an agreed upon level of risk. Each adviser in the firm selects the appropriate securities to fill the asset allocation, based in part upon the client's specific tax & other financial planning considerations. We constantly monitor each client's portfolio, and will rebalance based on deviations from the desired asset allocation. Overriding factors could be, but are not limited to, tax consequences and other client specific factors. Clients' aptitude and ability to take investment risk can change over time, so we will update the Risk Tolerance questionnaire, financial plan projections; and communicate with clients to determine if any changes to the agreed upon level of portfolio risk are necessary.

In circumstances where we do not provide a comprehensive financial plan, we substitute a more substantial Investment Policy Statement. The IPS outlines, amongst other things, the agreed upon parameters for that portfolio between the client and CWM. These parameters include time horizon, risk level, asset allocation, tax status, any prohibited asset classes and/or securities, any expected contributions/withdrawals to/from the portfolio, etc.

As described above, at the beginning of a client relationship, Cahaba meets with the client, gathers information, and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by Cahaba based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, Cahaba will manage the client's investment portfolio on a discretionary basis. As a discretionary investment adviser, Cahaba will have the authority to supervise and direct the portfolio without prior consultation with the client.

Notwithstanding the foregoing, clients may impose certain written restrictions on Cahaba in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolio. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of Cahaba.

### **Selection of Other Advisers**

When appropriate and in accordance with the Investment Plan for a client, Cahaba may recommend that you use the services of a third party money manager ("TPMM") to manage all, or a portion of, your investment portfolio. Having access to various managers offers a wide variety of manager styles, and offers clients the opportunity to utilize more than one manager if necessary to meet the needs and investment objectives of the client. Cahaba will select or recommend the manager(s) it deems most appropriate for the client. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPMM or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to, the following: the TPMM's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPMM(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

Cahaba will rely on the custodian or investment platform that sponsors the TPMM for conducting due diligence.

The TPMM will generally be granted discretionary trading authority to provide investment supervisory services for the portfolio. Cahaba retains the authority to terminate the TPMM relationship or to add new Managers without specific client consent. Fees paid to such TPMM(s) are separate from and in addition to the fee assessed by Cahaba.

In any case, with respect to assets managed by a TPMM Manager, Cahaba's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the TPMM Manager(s), and to assist the client in understanding the investments of the portfolio.

### **Types of Investments**

We primarily offer advice on ETFs, and Mutual Funds. Refer to the *Methods of Analysis, Investment Strategies and Risk of Loss* below for additional disclosures on this topic.

Additionally, we may advise you on various types of investments based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

## **Item 5 Fees and Compensation**

### **General Fee Information**

Fees paid to Cahaba are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Please see ***Item 12 - Brokerage Practices*** for additional information. Fees paid to Cahaba are also separate and distinct from the fees and expenses charged by third party managers, mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by managers, funds, brokers, Cahaba and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

### **Financial Planning Fees**

For producing a written financial plan and rendering other financial planning advice, Cahaba charges fees according to the degree of complexity involved, the skill required in preparing, rendering and monitoring the advice and the services to be offered in connection with the financial planning process. Fees generally range between \$1,500 and \$10,000 on an annual basis and are collected in quarterly installments as invoiced. The fee is for one year and will be re-evaluated during the annual review.

We will not require prepayment of a fee more than six months in advance and in excess of \$1,200.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Service.

The financial planning fee will be waived if a client also engages Cahaba to provide Comprehensive Wealth Management services in conjunction with the financial planning engagement. This fee waiver is only available for clients that engage for both services prior to the conclusion of the financial planning arrangement.

**Comprehensive Wealth Management Fees**

The annual fee schedule, based on a percentage of assets under management, is as follows:

<b><u>Assets Under Management</u></b>	<b><u>Maximum Annual Fee</u></b>
\$0 to \$250,000	1.50%
\$250,000 - \$500,000	1.25%
\$500,000 - \$1,000,000	1.25%
\$1,000,000 and above	1.00%

There is no minimum portfolio value or annual fee for any account. Cahaba may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where Cahaba deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in arrears. If management begins after the start of a quarter, fees will be prorated accordingly. With client authorization, unless other arrangements are made, fees are normally debited directly from client account(s).

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

When we are requested to trade client accounts on margin, each client must sign a separate margin agreement before margin is extended to that client account. Fees for advice and execution on these securities are based on the total asset value of the account, which includes the value of the securities purchased on margin. While a negative amount may show on a client's statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This creates a conflict of interest where we have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee. The use of margin may also result in interest charges in addition to all other fees and expenses associated with the security involved.

Either Cahaba or the client may terminate their Investment Advisory Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client based on the number of days that the account was managed, and any fees due to Cahaba from the client will be invoiced or deducted from the client's account prior to termination.



## **Separate Account Manager Fees**

Generally, where the services of a Third Party Money Manager ("TPMM") are utilized, the TPMM fees will be charged in addition to Cahaba's fee, and will be detailed in the Management Agreement signed by the client. Advisory fees that you pay to the TPMM are established and payable in accordance with the brochure provided by each TPMM to whom you are referred. These fees may or may not be negotiable. You should review the recommended TPMM's brochure and take into consideration the TPMM's fees along with our fees to determine the total amount of fees associated with this program.

## **Other Fees**

Cahaba may recommend investments in business development companies ("BDCs") that provide alternative investment strategies. Clients invested in a BDC will pay a management fee to Cahaba and to the manager of the BDC as described in the offering documents signed by the client.

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, refer to the *Brokerage Practices* section of this brochure.

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

Cahaba does not have any performance-based fee arrangements. "Side-by-Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because Cahaba has no performance-based fee accounts, it has no side-by-side management.

## **Item 7 Types of Clients**

Cahaba serves individuals, high net worth individuals, trusts and estates. Cahaba does not generally impose a minimum portfolio value for conventional investment advisory services or a minimum fee. We have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to manage effectively.

We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

### **Methods of Analysis and Investment Strategies**

In accordance with the Investment Plan, Cahaba will primarily invest in mutual funds, ETFs, common stock and fixed income securities.

In making selections of individual stocks for client portfolios, Cahaba may use any of the following types of analysis:

**Fundamental Analysis** - involves review of the business and financial information about an issuer. Without limitation, the following factors generally will be considered:

- Financial strength ratios;
- Price-to-earnings ratios;
- Dividend yields; and
- Growth rate-to-price earnings ratios

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, as applicable and without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. Cahaba will generally evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

Municipal securities may be used as a strategic investment. While generally thought of as safe, Municipal Securities can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

A real estate investment trust ("REIT") may be used as a strategic investment. A REIT is a corporate entity which invests in real estate and/or engages in real estate financing. A REIT reduces or eliminates corporate income taxes. REITs can be publicly or privately held. Public REITs may be listed on public stock exchanges. REITs are required to declare 90% of their taxable income as dividends, but they actually pay dividends out of funds from operations, so cash flow has to be strong or the REIT must either dip into reserves, borrow to pay dividends, or distribute them in stock (which causes dilution). After 2012, the IRS stopped permitting stock dividends. Most REITs must refinance or erase large balloon debts periodically. The credit markets are no longer frozen, but banks are demanding, and getting, harsher terms to re-extend REIT debt. Some REITs may be forced to make secondary stock offerings to repay debt, which will lead to additional dilution of the stockholders. Fluctuations in the real estate market can affect the REIT's value and dividends.

In the event that it is deemed suitable for an individual client, Cahaba may recommend investments in business development companies ("BDCs") that provide alternative investment strategies. Such alternatives can include private equity and private debt, as well as non-traditional investment strategies (i.e., strategies that involve more than the traditional "buy and hold" investment approach). BDCs are generally employed for income and diversification of the portfolio.

### **Investment Strategies**

Cahaba's strategic approach is to invest each portfolio in accordance with the Investment Plan that has been developed specifically for each client. This means that the following strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Options Trading/Writing - a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the exercise of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

### **Risk of Loss**

While Cahaba seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

### **Other Risk Considerations**

When evaluating risk, financial loss may be viewed differently by each client and may depend on many different risks, each of which may affect the probability and magnitude of any potential losses. The following risks may not be all-inclusive, but should be considered carefully by a prospective client before retaining our services.

*Liquidity Risk: The risk of being unable to sell your investment at a fair price at a given time due to high volatility or lack of active liquid markets. You may receive a lower price or it may not be possible to sell the investment at all.*

*Credit Risk.* Credit risk typically applies to debt investments such as corporate, municipal, and sovereign fixed income or bonds. A bond issuing entity can experience a credit event that could impair or erase the value of an issuer's securities held by a client.

*Inflation and Interest Rate Risk.* Security prices and portfolio returns will likely vary in response to changes in inflation and interest rates. Inflation causes the value of future dollars to be worth less and may reduce the purchasing power of a client's future interest payments and principal. Inflation also generally leads to higher interest rates which may cause the value of many types of fixed income investments to decline.

*Horizon and Longevity Risk:* The risk that your investment horizon is shortened because of an unforeseen event, for example, the loss of your job. This may force you to sell investments that you were expecting to hold for the long term. If you must sell at a time that the markets are down, you may lose money. Longevity Risk is the risk of outliving your savings. This risk is particularly relevant for people who are retired, or are nearing retirement.

### **Recommendation of Particular Types of Securities**

We primarily recommend ETFs, and Mutual Funds. However, we may advise on other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with the investment.

**Mutual Funds and Exchange Traded Funds:** Mutual funds and exchange traded funds ("ETF") are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification,

risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely whereas "closed end" funds have a fixed number of shares to sell which can limit their availability to new investors.

ETFs may have tracking error risks. For example, the ETF investment adviser may not be able to cause the ETF's performance to match that of the its Underlying Index or other benchmark, which may negatively affect the ETF's performance. In addition, for leveraged and inverse ETFs that seek to track the performance of their Underlying Indices or benchmarks on a daily basis, mathematical compounding may prevent the ETF from correlating with performance of its benchmark. In addition, an ETF may not have investment exposure to all of the securities included in its Underlying Index, or its weighting of investment exposure to such securities may vary from that of the Underlying Index. Some ETFs may invest in securities or financial instruments that are not included in the Underlying Index, but which are expected to yield similar performance.

***Risks Related to Alternative Investment Vehicles:*** From time to time and as appropriate, Cahaba may invest a portion of a client's portfolio in alternative vehicles. The value of client portfolios will be based in part on the value of alternative investment vehicles in which they are invested, the success of each of which will depend heavily upon the efforts of their respective Managers. When the investment objectives and strategies of a Manager are out of favor in the market or a Manager makes unsuccessful investment decisions, the alternative investment vehicles managed by the Manager may lose money. A client account may lose a substantial percentage of its value if the investment objectives and strategies of many or most of the alternative investment vehicles in which it is invested are out of favor at the same time, or many or most of the Managers make unsuccessful investment decisions at the same time. There may also be liquidity constraints risks and investors may not be able to redeem their investment per the offering document's disclosures.

***Equity Market Risks:*** Cahaba and any Manager(s) will generally invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security's prospects.

***Fixed Income Risks:*** Cahaba and any Manager(s) may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

**Foreign Securities Risks:** Cahaba and any Manager(s) may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security's underlying foreign currency.

**Margin Transactions Risks:** a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.

**Options Risk:** A small investment in options could have a potentially large impact on an investor's performance. The use of options involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value, and there is the risk that a hedging technique will fail if changes in the value of a derivative held by an investor do not correlate with the securities being hedged.

**Municipal Securities:** While generally thought of as safe, Municipal Securities can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

**Money Market Funds:** A money market fund is technically a security. The fund managers attempt to keep the share price constant at \$1/share. However, there is no guarantee that the share price will stay at \$1/share. If the share price goes down, you can lose some or all of your principal. The U.S. Securities and Exchange Commission ("SEC") notes that "While investor losses in money market funds have been rare, they are possible." In return for this risk, you should earn a greater return on your cash than you would expect from a Federal Deposit Insurance Corporation ("FDIC") insured savings account (money market funds are not FDIC insured). Next, money market fund rates are variable. In other words, you do not know how much you will earn on your investment next month. The rate could go up or go down. If it goes up, that may result in a positive outcome. However, if it goes down and you earn less than you expected to earn, you may end up needing more cash. A final risk you are taking with money market funds has to do with inflation. Because money market funds are considered to be safer than other investments like stocks, long-term average returns on money market funds tends to be less than long term average returns on riskier investments. Over long periods of time, inflation can eat away at your returns.

## Item 9 Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of Cahaba or the integrity of Cahaba's management. Cahaba has no disciplinary events to report.

## Item 10 Other Financial Industry Activities and Affiliations

Neither Cahaba nor its Management Persons have any other financial industry activities or affiliations to report.

### **Recommendation of Other Advisers**

We may recommend that you use a separate account manager based on your needs and suitability. We will not receive separate compensation, directly or indirectly, from the separate account manager for recommending that you use their services. Moreover, we do not have any other business relationships with the recommended separate account manager(s). Refer to the *Advisory Business* section above for additional disclosures on this topic.

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

### **Code of Ethics and Personal Trading**

Cahaba has adopted a Code of Ethics ("the Code"), the full text of which is available to you upon request. Cahaba's Code has several goals. First, the Code is designed to assist Cahaba in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, Cahaba owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires persons associated with Cahaba (managers, officers and employees) to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits such associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for Cahaba's associated persons. Under the Code's Professional Standards, Cahaba expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, Cahaba associated persons are not to take inappropriate advantage of their positions in relation to Cahaba clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time Cahaba's associated persons may invest in the same securities recommended to clients. Under its Code, Cahaba has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Because client accounts are invested primarily in open-end mutual funds and ETFs, there is little opportunity for a conflict of interest between personal trades by Cahaba associated persons and trades in client accounts, even when such accounts invest in the same securities. However, in the event of other identified potential trading conflicts of interest, Cahaba's goal is to place client interests first.

Consistent with the foregoing, Cahaba maintains policies regarding participation in initial public offerings ("IPOs") and private placements to comply with applicable laws and avoid conflicts with client transactions. If a Cahaba associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer.

Finally, if associated persons trade with client accounts (i.e., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person's shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with Cahaba's written policy.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

### **Aggregated Trading**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("aggregated trading"). Refer to the *Brokerage Practices* section in this brochure for information on our aggregated trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

### **Best Execution and Benefits of Brokerage Selection**

When given discretion to select the brokerage firm that will execute orders in client accounts, Cahaba seeks "best execution" for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates.

Therefore, Cahaba may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any combination), and may be used in servicing any or all of Cahaba's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

Cahaba recommends that clients establish brokerage accounts with Fidelity Brokerage Services LLC and their affiliate National Financial Services LLC ("collectively, Fidelity"), a FINRA registered broker-dealer, member SIPC, as the qualified custodian to maintain custody of clients' assets. Cahaba participates in the Fidelity Institutional Wealth Services ("FIWS") program. While there is no direct link between the investment advice Cahaba provides and participation in the FIWS program, Cahaba receives certain economic benefits from the FIWS program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of Cahaba's fees from its clients' accounts, and assists with back-office functions, recordkeeping and

client reporting. Many of these services may be used to service all or a substantial number of Cahaba's accounts, including accounts not held at Fidelity. Fidelity may also make available to Cahaba other services intended to help Cahaba manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Fidelity may make available, arrange and/or pay for these types of services to be rendered to Cahaba by independent third parties. Fidelity may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to Cahaba, and/or Fidelity may pay for travel expenses relating to participation in such training. Finally, participation in the FIWS program provides Cahaba with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the FIWS program do not necessarily depend upon the proportion of transactions directed to Fidelity. The benefits are received by Cahaba, in part because of commission revenue generated for Fidelity by Cahaba's clients. This means that the investment activity in client accounts is beneficial to Cahaba, because Fidelity does not assess a fee to Cahaba for these services. This creates an incentive for Cahaba to continue to recommend Fidelity to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, Cahaba believes that Fidelity provides an excellent combination of these services. The availability of Fidelity's products and services to Cahaba is based solely on our participation in the program and not in the provision of any particular investment advice. These services are not soft dollar arrangements, but are part of the institutional platform offered by Fidelity.

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

We do not have any soft dollar arrangements.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Directed Brokerage**

Clients may direct Cahaba to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangements that Cahaba has with Fidelity are designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers can in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing Cahaba to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with Cahaba that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to



be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

### **Aggregated Trade Policy**

Cahaba typically directs trading in individual client accounts as and when trades are appropriate based on the client's Investment Plan, without regard to activity in other client accounts. However, from time to time, Cahaba may aggregate trades together for multiple client accounts, most often when these accounts are being directed to sell the same securities. If such an aggregated trade is not completely filled, Cahaba will allocate shares received (in an aggregated purchase) or sold (in an aggregated sale) across participating accounts on a pro rata or other fair basis; provided, however, that any participating accounts that are owned by Cahaba or its officers, directors, or employees will be excluded first.

## **Item 13 Review of Accounts**

Investment Adviser Representatives review client accounts on an ongoing basis. The reviews focus on consistency of portfolio investments with the clients' investment objectives and risk tolerance. In addition, the adviser considers and tests investment constraints with portfolio holdings. These constraints include but are not limited to: time horizon, liquidity needs, tax considerations and legal/regulatory constraints and any other unique circumstances.

The adviser also reviews accounts as needed to account for changes in general economic and market conditions, analyst reports, company news and interest rate movement. New information a client makes known to us regarding changes in that client's financial situation or goals all provides important reasons for an adviser to re-evaluate the recommendations it provides to its clients.

Cahaba reviews portfolio performance on a quarterly basis to monitor consistency with appropriate benchmarks. Managed portfolios may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by Cahaba. These factors generally include, but are not limited to, the following: change in general client circumstances (marriage, divorce, retirement); or economic, political or market conditions.

For those clients to whom Cahaba provides separate financial planning services, reviews are conducted on an as needed or agreed upon basis. Such reviews are conducted by one of Cahaba's Investment Adviser Representatives or Principals.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. In addition, Cahaba provides a quarterly report for each managed portfolio. This written report normally includes a summary of portfolio holdings and performance results. Additional reports are available at the request of the client.

Cahaba requests that clients notify us should they have a change in their investment objectives and risk tolerance to review and update your investment plan. These changes may include but are not limited to: time horizon, liquidity needs, tax considerations and legal/regulatory constraints and any other unique circumstances which may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss and/or disability, among others.

## Item 14 Client Referrals and Other Compensation

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationship with your account custodian.

## Item 15 Custody

Fidelity is the custodian of nearly all client accounts at Cahaba. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify Cahaba of any questions or concerns. Clients are also asked to promptly notify Cahaba if the custodian fails to provide statements on each account held.

From time to time and in accordance with Cahaba's agreement with clients, Cahaba will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. At times there may be small differences due to the timing of dividend reporting, pending trades or other similar issues.

## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement and the appropriate trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

## Item 17 Voting Client Securities

As a policy and in accordance with Cahaba's client agreement, Cahaba does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact Cahaba with questions relating to proxy procedures and proposals; however, Cahaba generally does not research particular proxy proposals.

## Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

We are required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual commitments to our clients. On April 9, 2020, the firm received a Paycheck Protection Program ("PPP") loan in the amount of \$168,350.50 through the U.S. Small Business Administration, which was part of the economic relief provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Due to the economic uncertainties surrounding the current COVID-19 pandemic, we believed it was necessary and prudent for us to apply for, and accept, the Payroll Protection Program loan offered by the Small Business Administration in order to support our ongoing operations. The firm used the PPP funds to continue payroll for the firm's employees, including employees primarily responsible for performing advisory functions for our clients, and make other permissible payments. The loan is forgivable provided the firm satisfies the terms of the loan program.

We have not filed a bankruptcy petition at any time in the past ten years.

## **Item 19 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

If you decide to close your account(s) we will adhere to our privacy policies, which may be amended from time to time.

If we make any substantive changes in our privacy policy that would further permit or require disclosures of your private information, we will provide written notice to you. Where the change is based on permitted disclosures, you will be given an opportunity to direct us as to whether such disclosure is acceptable. Where the change is based on required disclosures, you will only receive written notice of the change. You may not opt out of the required disclosures.

If you have questions about our privacy policies contact our main office at the telephone number on the cover page of this brochure and ask to speak to the Chief Compliance Officer.

**Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

**IRA Rollover Considerations**

As part of our investment advisory services to you, we may recommend that you withdraw the assets from your employer's retirement plan and roll the assets over to an individual retirement account ("IRA") that we will manage on your behalf. If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset based fee as set forth in the agreement you executed with our firm. This practice presents a conflict of interest because persons providing investment advice on our behalf have an incentive to recommend a rollover to you for the purpose of generating fee based compensation rather than solely based on your needs. You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of:

1. Leaving the funds in your employer's (former employer's) plan.
2. Moving the funds to a new employer's retirement plan.
3. Cashing out and taking a taxable distribution from the plan.
4. Rolling the funds into an IRA rollover account.

Each of these options has advantages and disadvantages and before making a change we encourage you to speak with your CPA and/or tax attorney.

If you are considering rolling over your retirement funds to an IRA for us to manage here are a few points to consider before you do so:

1. Determine whether the investment options in your employer's retirement plan address your needs or whether you might want to consider other types of investments.
  - a. Employer retirement plans generally have a more limited investment menu than IRAs.
  - b. Employer retirement plans may have unique investment options not available to the public such as employer securities, or previously closed funds.
2. Your current plan may have lower fees than our fees.
  - a. If you are interested in investing only in mutual funds, you should understand the cost structure of the share classes available in your employer's retirement plan and how the costs of those share classes compare with those available in an IRA.
  - b. You should understand the various products and services you might take advantage of at an IRA provider and the potential costs of those products and services.
3. Our strategy may have higher risk than the option(s) provided to you in your plan.
4. Your current plan may also offer financial advice.
5. If you keep your assets titled in a 401k or retirement account, you could potentially delay your

required minimum distribution beyond age 70.5.

6. Your 401k may offer more liability protection than a rollover IRA; each state may vary.
  - a. Generally, federal law protects assets in qualified plans from creditors. Since 2005, IRA assets have been generally protected from creditors in bankruptcies. However, there can be some exceptions to the general rules so you should consult with an attorney if you are concerned about protecting your retirement plan assets from creditors.
7. You may be able to take out a loan on your 401k, but not from an IRA.
8. IRA assets can be accessed any time; however, distributions are subject to ordinary income tax and may also be subject to a 10% early distribution penalty unless they qualify for an exception such as disability, higher education expenses or the purchase of a home.
9. If you own company stock in your plan, you may be able to liquidate those shares at a lower capital gains tax rate.
10. Your plan may allow you to hire us as the manager and keep the assets titled in the plan name.

It is important that you understand the differences between these types of accounts and to decide whether a rollover is best for you. Prior to proceeding, if you have questions contact your investment adviser representative, or call our main number as listed on the cover page of this brochure.