

## Form CRS – Client Relationship Summary

October 2, 2024

### **Introduction**

**Sherrill & Hutchins Financial Advisory Inc** is registered with the US Securities and Exchange Commission as an Investment Adviser. You have a choice among different types of financial services professionals to assist you with your financial needs. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### **What investment services and advice can you provide me?**

We provide the following investment advisory services to retail investors.

**Investment Management:** At the outset of our relationship, we spend time with you to gain an understanding of your investment goals, risk tolerance and financial situation. We then prepare Investment Guidelines designed to meet your investment objectives and provide ongoing management of your assets. We regularly monitor your portfolio and conduct a monthly review of the investments used in our clients' accounts. We will contact you at least annually to discuss your portfolio and update your Investment Guidelines, with interim reviews and updates anytime life changes or market conditions call for it.

We typically recommend that our clients invest in mutual funds and exchange traded funds (ETFs). However, we may offer advice regarding additional types of investments if they are appropriate to address your needs. Other firms could recommend investments based on a wider range of choices.

We manage accounts on a discretionary basis. This means that once you sign an agreement with our firm, we have your permission to buy and sell investments in your account without asking you in advance. This authority will last until you or we terminate our agreement. You may place reasonable limitations on our discretionary authority, subject to our approval.

In limited circumstances, we provide non-discretionary trading and account administration services. No investment advice is provided in these arrangements.

**Financial Planning and Consulting:** Financial planning and consulting may include advice that addresses one or more areas of your financial situation including, but not limited to, estate planning, risk management, budgeting and cash flow controls, retirement planning, education funding, analysis of your existing investments, portfolio design and estate distribution services.

Investment management and financial planning may be provided on a standalone basis or may be combined under one fee arrangement. Clients receiving *Wealth Management Services* (combined investment management and a wide range of financial planning) must have \$1,000,000 in investable assets.

**More detailed information on our services is available in our [Form ADV Part 2A](#) (our “Brochure”) in Items 4, 7, 13, and 16.** We are here to help you and encourage you to ask us questions. For example, you might want to ask us:

- *Given my financial situation, should I choose an investment advisory service? Why or why not?*
- *How will you choose investments to recommend to me?*
- *What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

### **What fees will I pay?**

Our Wealth Management and standalone investment management fees are calculated as a percentage of the assets we manage for you and are billed quarterly in advance. Our standalone financial planning and consulting services are provided on an hourly or fixed fee basis. Non-discretionary trading and account administration services are provided on a fixed fee basis.

In addition to the fees that we charge, your portfolio will incur other expenses which are common to investing. The most common examples are brokerage transaction fees (such as the fee that the broker charges to buy or sell a security in your account), custodian fees, and fees imposed by mutual funds and exchange traded funds.

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

**More information is available in our [Form ADV Part 2A](#) (our “Brochure”) in Items 5 and 12.** We are happy to address fee arrangements in more detail with you. For example, you might want to ask:

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

**What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?**

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice that we provide to you. Here are some examples to help you understand what this means.

- Our firm has an arrangement with various qualified account custodians, each of which offers an advisor-based program that facilitates management of our clients’ accounts. Many of the custodians’ services benefit both you and us but some services, such as consulting services and educational conferences, only benefit us. The receipt of such benefits gives us an incentive to recommend the use of these custodians.
- We charge an investment advisory fee based on assets that we manage. This type of fee arrangement could also incentivize us to encourage you to deposit more assets in your account, which would increase our fees.

As a registered investment adviser, we are held to what is known as a fiduciary standard, which covers our entire investment advisory relationship with you. As a fiduciary, we must eliminate any conflicts of interest or tell you about them in a way you can understand, so that you can decide whether to agree to them.

**More information is available in our [Form ADV Part 2A](#) (our “Brochure”) in Items 5, 11 and 12.** Please ask us:

- *How might your conflicts of interest affect me, and how will you address them?*

**How do your financial professionals make money?**

Financial professionals who are not owners are paid a salary and a discretionary year-end bonus, as well as bonuses associated with the additional effort associated with the onboarding of new clients. Financial professionals who are owners of the firm receive a salary and their share of corporate distributions based on firm profits. The receipt of compensation based on revenue or profits could influence us to recommend that you increase the assets that we manage. None of our financial professionals earn any type of commission (e.g., product sales commissions or revenue from securities bought or sold).

**Do you or your financial professionals have a legal or disciplinary history?**

No. We encourage you to visit [www.Investor.gov/CRS](http://www.Investor.gov/CRS) for a free and simple search tool to research us and our financial professionals. You might want to ask us:

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

**Additional information**

Please refer to our Brochure for more details on our investment advisory services and other topics. Please call us at (770) 395-9797 or email [info@sh-advisors.com](mailto:info@sh-advisors.com) to request up-to-date information and a copy of the Client Relationship Summary and/or Brochure. We encourage you to ask:

- *Who is my primary contact person? Is he or she a representative of an investment adviser or broker dealer? Who can I talk to if I have concerns about how this person is treating me?*



## **FORM CRS SUMMARY OF CHANGES EXHIBIT**

Set forth below is a summary of the changes made to the Sherrill & Hutchins Financial Advisory, Inc. **Form CRS** on October 2, 2024:

*What investment services and advice can you provide me?*

We updated this section to add that in limited instances we may provide non-discretionary trading and account administration services. These services do not include provision of investment advice.

*What fees will I pay?*

We updated the "What fees will I pay" section to add that we charge fixed fees for non-discretionary trading and account administration services.