

Brochure

Form ADV Part 2A

Item 1 - Cover Page



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This Brochure provides information about the qualifications and business practices of Sherrill & Hutchins Financial Advisory, Inc. If you have any questions about the contents of this Brochure, please contact us at (770) 395-9797 or info@sh-advisors.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.

Sherrill & Hutchins Financial Advisory, 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 Sherrill & Hutchins Financial Advisory, Inc. also is available on the SEC's website at www.AdviserInfo.sec.gov.

Item 2 - Material Changes

This Brochure is prepared in the revised format required beginning in 2011. Registered Investment Advisers are required to use this format to inform clients of the nature of advisory services provided, types of clients served, fees charged, potential conflicts of interest and other information. The Brochure requirements include providing a Summary of Material Changes (the "Summary") reflecting any material changes to our policies, practices, or conflicts of interest made since our last required "annual update" filing. In the event of any material changes, such Summary is provided to all clients within 120 days of our fiscal year-end. Our last annual update was filed on February 26, 2020. The complete Brochure is available to clients at any time upon request.

Set forth below is the Summary of Material Changes for Sherrill & Hutchins Financial Advisory, Inc.:

Date of Change	Description of Item
September 2020	<p>Item 4 – Advisory Business was updated to disclose that like all financial service providers, if we recommend that you roll over their retirement plan assets into an account to be managed by us, such a recommendation creates a potential conflict of interest if we will earn a new (or increase our current) advisory fee because of the rollover. We have a fiduciary duty and must act in your best interest when making a recommendation regarding whether to maintain investments in a retirement plan, take a distribution from a retirement plan or roll over investments from a retirement plan to a Rollover IRA. You are under no obligation to rollover plan assets to an IRA managed by us or to engage us to monitor and/or manage the account while maintained at your employer.</p> <p>We updated Item 5 – Fees and Compensation to include information about how accounts with margin balances are billed. We do not use margin as an investment strategy but sometimes clients ask us for advice or information about using margin. If you elect to borrow funds against your investment portfolio, you will be assessed our management fee based on the gross value of the assets in your account. In other words, your account value on which the fee is calculated is not reduced by the margin balance. This could create a conflict of interest where we may have an incentive to encourage the use of margin to create a higher market value and therefore receive a higher fee.</p> <p>We recommend Fidelity Institutional as a qualified custodian to hold client assets and broker dealer to execute client transactions. We receive various services from Fidelity that benefit us because we do not have to produce or purchase them as long as our firm keeps a total of at least \$25 million of client assets in accounts at Fidelity. If we fall below \$25 million in client assets, Fidelity will charge us a \$2,500 quarterly service fee. Having to maintain an asset minimum provides us an incentive to recommend that you maintain your account with Fidelity. However, we believe our selection of Fidelity is in the best interest of our clients. Please see Item 12 – Brokerage Practices for more information about how we select brokers and custodians.</p>