



## NALLS SHERBAKOFF

The Nalls Sherbakoff Group, LLC is registered as an investment adviser with the Securities and Exchange Commission and provides investment advisory accounts and services rather than brokerage accounts and services. Brokerage and investment advisory services and fees differ and it is important for you to understand the differences.

Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

### Contact Us:

9724 Kingston Pike  
Suite 704  
Knoxville, TN 37922

Telephone: (865) 691-0898

Fax: (865) 691-0900

Web: [www.nallssherbakoff.com](http://www.nallssherbakoff.com)

June 25, 2020

## What Investment Services and Advice Can You Provide Me?

We offer portfolio management, financial planning and consulting services. We occasionally provide complimentary educational seminars and workshops.

For **portfolio management services**, you grant us authority through a Portfolio Management Agreement. **Discretionary authority** grants us the full authority to determine the specific securities, and the amount, to be purchased or sold for your account without your approval prior to each transaction. You may limit our discretionary authority by providing our firm with your restrictions in writing. **Non-discretionary authority** grants us limited authority to recommend transactions but requires us to obtain your approval prior to executing any transactions on behalf of your account. As part of our portfolio management services, we monitor your accounts on an ongoing basis and conduct reviews at least annually and upon your request. We may conduct additional reviews based on various events, including, but not limited to contributions and withdrawals, year-end tax planning, market moving events, security-specific events, and/or changes in your risk/return objectives. Our portfolio management services also include complimentary financial planning services for clients who request it.

We offer **financial planning services** where we meet to gather information about your financial objectives, and then deliver a written plan to help you achieve your goals. You are not obligated to act on our recommendations or implement the financial plan through our firm. We only review your financial plan at your request.

We also offer **present value consulting (“PVC”) services** to individuals who are divorcing. Because this is a one-time service, we do not conduct reviews of the present value calculation unless you request it.

We may advise you on any type of investment that we deem appropriate based on your goals and objectives. We do not have any requirements for opening or maintaining an account, such as a minimum investment amount, however, we have the right to terminate your account if it falls below a minimum size that becomes too small for us to effectively manage.

For more detailed information about our services, please see Items 4 and 7 of our [Form ADV 2A “Brochure.”](#)

## What Fees Will I Pay?

**Portfolio Management Fees:** The portfolio management fee is based on a percentage of your assets we manage and is set forth in the blended tiered fee schedule below. Your exact fee is disclosed on your Portfolio Management Agreement. Fees are billed and payable quarterly in arrears based on the value of your account on the last day of the quarter.

Assets Under Management (AUM)	Annual Fee
First \$500,000	1.00%
Next \$500,000	0.75%
Next \$2,000,000	0.50%
Over \$3,000,000	Negotiable

For example, if your account under management by us has \$1,500,000 in it, the portfolio management fee would be as follows: the first \$500,000 is billed at 1.00%; the next \$500,000 would be billed at 0.75%; and, the remaining \$500,000 would be billed at 0.50%.

**Financial Planning Services Fees:** We charge up to \$300 an hour for financial planning services, which is negotiable depending on the scope and complexity of the plan. We provide you with an estimate of the total time/cost at the start of the relationship, and request your prior approval if there is an additional fee. Fees are due upon completion of services rendered.

**[PLEASE SEE ADDITIONAL FEES AND EXPENSES CONTINUED ON THE NEXT PAGE]**



NALLS SHERBAKOFF

## Ask Your Financial Professional:

Below are some questions you can ask our financial professionals to start a conversation about relationships and services:

- *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?*
- *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?*
- *How might your conflicts of interest affect me, and how will you address them?*
- *As a financial professional, do you have any disciplinary history? For what type of conduct?*
- *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

**Present Value Consulting Fees:** We charge \$250 per hour for PVC services. We send you an invoice within 7 days of completing the PVC which describes the payment due and the amount of time spent. Similarly, we charge \$250 per hour for any additional consultation or expert witness testimony.

**Other Fees and Costs:** You will also pay brokerage commissions, transaction charges, handling fees, custodial fees, service charges, ticket charges and other similar charges incurred in connection with transactions for your Account(s). In addition to the fees described above, you may pay retirement plan fees, mutual fund sales loads, contingent deferred sales charges, annuity fees including mortality and expense charges, and surrender charges. For more detailed information about our fees and costs, please see Item 5 of our [Form ADV 2A "Brochure."](#)

Our receipt of fees for managing client accounts results in conflicts of interest. For example, the more assets in a client's advisory account, the more a client will pay in asset-based fees, and the firm may therefore have an incentive to encourage clients to increase the assets in their accounts. Please review Items 5 and 10 of our [Form ADV Part 2A "Brochure"](#) for detailed descriptions of conflicts and how we address them.

## 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 we provide you. Here are some examples to help you understand what this means.*

- We receive institutional trading and custody services at no charge from Charles Schwab & Co., Inc. ("Schwab") so long as we maintain at least \$10 million of our clients' assets Schwab. This presents a conflict of interest in that we have an incentive to recommend Schwab to clients to maintain at least \$10 million in assets at Schwab.
- We receive certain products and services from Schwab at no charge or at a discount (including software and other technology, business management and development resources, educational/business events, etc.). This presents a conflict of interest in that we have an economic incentive to recommend them based on our interest in receiving free and/or discount research or other products or services.

For more examples of the ways we make money and the conflicts of interests we have, please see Items 10, 11, 12 and 14 of our [Form ADV Part 2A "Brochure."](#)

## How Do Your Financial Professionals Make Money?

Our IARs are compensated by salary, discretionary bonuses and/or percentage of the overall profits of the firm. This presents a conflict of interest in that we have an incentive to encourage you to increase the assets in your account.

## Do You or Your Financial Professionals Have Legal or Disciplinary History?

No. Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

For more information about our investment advisory services or to request the most current version of this relationship summary, please go to [www.nallssherbakoff.com](http://www.nallssherbakoff.com), the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), or call our office at (865) 691-0898.