



## **ADV Part 2A – Firm Brochure**

Sheets Smith Investment Management, LLC  
5600 NW Central Drive, Suite 221  
Houston, TX 77092

346-867-8606

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

Dated: March 28, 2022

This Form ADV, Part 2 (the “Brochure”) is a very important document that provides disclosures about the manner in which Sheets Smith Investment Management, LLC. (“Sheets Smith Investment Management”, “SSIM”, or the “Firm”) provides services to its clients.

***This brochure provides information about the qualifications and business practices of Sheets Smith Investment Management. If you have any questions about the contents of this brochure, please contact Gregory Bowden, Chief Compliance Officer, at 346-867-8606 or [gbowden@sheetssmithim.com](mailto:gbowden@sheetssmithim.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any State Securities Authority.***

***Additional information about Sheets Smith Investment Management is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in the Firm’s name).***

Sheets Smith Investment Management is a registered investment advisor with the SEC. The Firm’s registration as an investment advisor does not imply any level of skill or training. However, all of the Firm’s advisors either hold MBA or MSF degrees and have passed the Uniform Investment Advisor Law Exam, which is required to be an investment advisory representative.

## Item 2 – Material Changes

The firm does not have any material changes since the last filing in September of 2021.

The Firm may, at any time, update this Form ADV, Part 2. In such an event, the Firm will either send you a copy or offer to send you a copy (either by e-mail or by regular mail). If at any time you would like another copy of this Form ADV, Part 2, you may download it from the SEC's public disclosure website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) or you may request one from the Firm's Chief Compliance Officer, Gregory Bowden at 346-867-8606 or [gbowden@sheetsmithim.com](mailto:gbowden@sheetsmithim.com).

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## Item 4 – Advisory Business

Sheets Smith Investment Management, LLC (SSIM or Firm) is an affiliate of Sheets Smith Wealth Management Inc. (SSWM). Both firms are investment advisors registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. The primary office is located in Houston, TX with a branch office in Winston-Salem, NC. The Firm was formed in December 2015 by SSWM and Z. Cornell Bowden. SSWM owns 35% of SSIM and the remainder is owned by employees of SSIM. The Firm specializes in multi-strategy equity and dynamic asset allocation balanced portfolio management. Accounts using these investment strategies are both institutional and retail clients, including those with a wrap fee arrangement with their custodian. SSIM was formed for the expressed purpose of segregating accounts using these strategies into an entity separate from SSWM to comply with the CFA Institute's Global Investment Performance Standards.

The Multi-Strategy Equity portfolios consist of stocks and, as appropriate, cash and cash equivalent investments. Balanced portfolios have the same holdings as the equity and cash accounts but also include income-producing securities. The Firm offers a suite of Balanced Portfolio strategies to accommodate various risk tolerances and time horizons of individual clients. Other portfolio strategies that are designed for specific clients are also managed by SSIM.

As mentioned above, the Firm manages accounts that participate in wrap programs sponsored by various brokerage firms. These accounts are usually managed under dual contracts and in most cases billed separately from the wrap fees that are paid to the applicable brokerage firm. The Firm also manages accounts that are either commission free or commission-based and not part of any wrap program. The management style is the same for wrap program accounts, commission free accounts, and commission-based accounts.

The Firm was accepted onto the Morgan Stanley Uniform Managed Account (UMA) platform in the spring of 2016, and all the dynamic asset allocation balanced strategies are available under dual contracts at Morgan Stanley. In the Fall of 2016, the Firm's Absolute Return Balanced product was allowed onto the Wells Fargo Private Advisor Network.

As of December 31, 2021, the Firm had \$156,920,813 in total assets under management (AUM), with \$156,887,760 in discretionary assets and \$33,053 in non-discretionary assets.

These AUM values do not include any assets which are part of a Unified Managed Account (UMA) program.

Sheets Smith Investment Management also offers financial planning to individuals on a monthly fee agreement based on net worth and or total household income. The firm

utilizes financial planning software to deliver robust analysis and support in recommendations to clients.

## Item 5 – Fees and Compensation

Sheets Smith Investment Management's fees are predominantly based on Assets Under Management (AUM). All of the Firm's fees are (1) agreed upon when the written advisory agreement or financial planning agreement is signed, and (2) generally billed in arrears.

Sheets Smith Investment Management's standard fee schedule in US dollars is as follows: 1.00% annually on the first \$5 million, 0.75% on the next \$5 million and 0.50% on amounts over \$10 million. Asset based fees are payable quarterly in advance or arrears and are based on the account value at quarter-end. For the clients who participate in wrap programs, SSIM's management fees vary from 0.25% to 0.75% of the assets managed, payable in advance or arrears depending on custodian and service rendered. Various factors dictate whether higher or lower fees are appropriate. These factors include the size of the account, frequency of trading, the amount of client contact necessary, the nature of the account, and the ease of administration. The Firm attempts to tailor both its services and its fees to fit the needs and desires of clients. Depending on client preferences and where the account is custodied, Sheets Smith Investment Management may bill clients or deduct its fees directly from client accounts.

Commission based clients (those not paying wrap fees) may incur custodial fees and/or broker fees for trades. If client assets are custodied at Schwab Institutional, they do not pay custodial fees, and as of October 1st, 2019, they do not pay brokerage fees for trades. Sheets Smith Investment Management reviews custodial fees charged by custodians for clients to determine whether such fees are competitive under the circumstances. For investments in mutual funds, the Firm generally utilizes no-load mutual funds in client accounts. For Schwab Institutional clients, the Firm also attempts to minimize transaction costs by utilizing Schwab OneSource no-load funds that do not carry a transaction fee.

Clients who invest in mutual funds are advised that they are paying the mutual fund management fees in addition to the fees charged by the Firm.

Clients often incur other minimal fees when securities are purchased or sold on their behalf. The Firm does not receive, directly or indirectly, any of these fees, which are typically paid directly to the client's broker-dealer, custodian, or mutual fund. These fees include, but are not limited to, exchange fees and SEC fees.

For clients that utilize the firm’s financial planning services, the monthly fee will be based on the client’s net worth and/or household annual income as outlined in the table below based on the Firm’s discretion. Fees are payable monthly in arrears with the first month being pro-rated for the number of days the services are utilized. The fees for these services are negotiable. Termination of the financial planning services by either party requires a minimum of thirty (30) days prior written notification, but the final month’s fee may be waived upon Advisor’s discretion.

<b>Household Net Worth Range</b>	<b>Household Income</b>	<b>Monthly Financial Planning Fee</b>
< \$100k	< \$150k	\$150
\$100 - \$750k	\$150k - \$200k	\$200
\$750k - \$1.5m	\$200k - \$300k	\$300
\$1.5m - \$3.0m	\$300k - \$500k	\$450
> \$3.0m	> \$500k	\$850

Termination: Either the Client or the Adviser may terminate the Investment Advisory Agreement by giving thirty (30) days’ prior written notice of termination to the other; provided, however, such termination of the Agreement will not affect: (a) the validity of any actions the Adviser has previously taken; (b) the Client’s or the Adviser’s liabilities or obligations for transactions started before termination; or (c) any provision, obligation or right that is specifically designated herein to survive such termination. Upon termination, any fees owed to the Adviser will be paid by the Client on a prorated basis as of the effective date of termination, and any fees paid by the Client that have not been earned will be refunded to the Client on a prorated basis as of the effective date of termination.

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

The Firm does not charge advisory fees on a share of the capital appreciation of the funds or securities in client accounts (*i.e.*, performance-based fees). All of the Firm’s advisory compensation arrangements are disclosed in Item 5.

## **Item 7 – Types of Clients**

Sheets Smith Investment Management clients and prospective clients generally include individuals, trusts, foundations, endowments, and retirement plans.

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

Sheets Smith Investment Management offers a suite of Dynamic Asset Allocation products with risk characteristics ranging from relatively low volatility to those of an aggressive, all equity and cash account. For each of these products, the overriding concern is Preservation of Capital, particularly in volatile markets, and second is achieving competitive long term returns within those risk parameters of the client. The Dynamic Asset Allocation process measures the risk-adjusted expected return (based on projected earnings) of the S&P 500 and compares it with the returns available in typically less volatile, longer-term corporate bonds and cash. (“Typically” is used carefully here because there have been periods in the past when the volatility of the return of bonds was actually higher than that of stocks. Should interest rates increase, this volatility may occur again in the future.) For each of our balanced products the system finds the optimal asset mix for each of our products at a given point in time. Changes in interest rates and the prices of stocks causes the relative value of the capital markets to change over time. These changes in relative value shift the asset mix, and the portfolio manager is then required to make adjustments in the portfolio from relatively overvalued assets to relatively undervalued ones in a measured and timely manner. This process measures the relative, risk-adjusted value of the capital markets of stocks, bonds, and cash. It is not predictive of changes in the prices of these asset classes.

SSIM’s Portfolio Managers/Analysts do not follow specific issues/industries in the traditional sense of an analyst’s role. The investment process is highly quantitative, and is agnostic as to capitalization, industry or economic sector. Our investment universe is every stock traded on major exchanges in the United States, including ADRs, but excluding those listed on the “pink sheets”. The total number of stocks in our universe exceeds 5,000. For most portfolios, including wrap accounts, the fixed income portion of the portfolio and MLP’s, if used, are in the form of ETFs. For smaller accounts, individual bonds offer only marginal, if any, benefits especially when one needs to be sold. Diversification with individual bonds is also difficult as corporates are generally traded in \$5,000 lots. Therefore, fixed income ETFs are used for our wrap customers. For larger commission accounts, in addition to ETFs, individual municipals, treasury, agency or corporates may be used as appropriate. For real estate investing, the Firm’s advisors primarily use real-estate investment trusts (REITs).

Again, Preservation of Capital is of paramount concern. Performance is second, which SSIM attempts to achieve with reduced risk through nimble asset allocation adjustments and strategic equity selection. It is far more profitable not to lose money than to have wide variations in return. Portfolio risk is managed through the tactical asset allocation

process and highly diversified holdings, which usually ranges between 75 and 125 names. In addition, volatile stock price declines, typically caused by negative changes in fundamentals or by severe bear market corrections, may result in selling a stock, or a number of holdings. In bear market conditions, a large portion of the portfolio may be allocated to cash giving clients some comfort in tumultuous markets. Some people may consider this process not “tax efficient” due to our active trading strategy. However, our belief is that it is far more profitable to pay a tax on the *gain* in a stock than to lose 30% to 50% of the *principal* of the holding.

The Firm may use street research from various brokerage houses but prefers more timely information provided by news sources such as CNBC and Bloomberg; internet sources such as John Mauldin or Seeking Alpha; research services provided by Bloomberg or Charles Schwab; and periodicals such as the Wall Street Journal. The Firm relies most heavily on Panaray®, the William O’Neil & Co. institutional investment data research platform and on Bloomberg Professional Service (the terminal). More general investment information from reputable websites is also utilized.

Securities markets can and often do fluctuate substantially, even over short periods of time. Investing in equities, fixed-income, mutual funds, ETFs and real estate involves a risk of loss, and clients need to be prepared for the potential that their account may sustain substantial losses. The risk of loss includes the loss of principal (*i.e.*, the amount invested) and any unrealized profits (*i.e.*, any gain in the value of the securities before they are sold to “lock in” the profit).

The Firm cannot guarantee any level of performance, or that client accounts will not experience losses. Investing in securities involves risk of loss that clients should be prepared to bear.

## **Item 9 – Disciplinary Information**

Neither Sheets Smith Investment Management, nor any employee of the Firm, has had: (1) any civil or criminal actions brought against them; (2) any administrative proceedings before the SEC, any other federal regulator agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization.



## **Item 10 – Other Financial Industry Activities and Affiliations**

Sheets Smith Investment Management is an affiliate of Sheets Smith Wealth Management Inc.

Certain representatives of Sheets Smith Investment Management do offer life and health insurance products.

In addition, some of SSIM's Investment Advisory Representatives are independent licensed insurance agents, and from time to time, will offer clients advice or products from those activities. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser. Sheets Smith Investment Management always acts in the best interest of the client, including the sale of commissionable products to advisory clients. Clients are not obligated to use the IAR as their insurance broker or agent or to use any recommended insurance company for any recommended insurance transaction.

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

Sheets Smith Investment Management's Code of Ethics (the "Code") is designed to ensure the Firm meets its fiduciary obligation to its clients and to instill a culture of compliance within the Firm. The Firm's Code includes the CFA Institute Code of Ethics and Standards of Professional Conduct. The Firm's Code and compliance manual includes policies and procedures covering the following areas:

- Portfolio Management Processes;
- Personal Securities Transactions;
- Trading Error Policy;
- Gift Policy;
- Whistle Blowing Procedures and Protections; and
- Code of Ethics Records.

The Firm's Code is distributed to, reviewed by, and acknowledged by each employee annually. Any amendments to the Code are distributed to all employees for their review. Gregory Bowden, the Chief Compliance Officer, is responsible for distributing the Code and any amendments and verifying the receipt of employee acknowledgements. A copy of the Firm's Code will be provided to any client or prospective client upon request by contacting Gregory Bowden or Cornell Bowden at 346-388-8606 or gbowden@sheetssmithim.com or cbowden@sheetssmithim.com, respectively.

The Firm's Code does not prohibit personal trading by employees. As professional investment advisors, the Firm's advisors often follow their own advice. As a result, Firm employees may purchase or sell the same or similar securities after or at the same time that the Firm places transactions for clients. (Advisors use block trades if they wish to trade securities for employee accounts at the same time as clients.) To ensure that personal trades are not executed before any client trades, the Sheets Smith administrator responsible for executing the employee trade sends out an e-mail to notify all of the Firm's advisors, including the Chief Compliance Officer, of an employee trade request. Only if an advisor(s) responds with a conflict will the trade not be executed; else the administrator will proceed with the trade. Once the trade is executed the administrator will post the trade to the "Employee Trades" folder so that firm personnel have access to all personal trades that have been made. These procedures help ensure that the Firm and its advisors do not put their interests before the interests of clients.

The Firm's advisors may affect fixed-income cross trades between client accounts, when they deem it appropriate for both client accounts involved. A cross trade is a trade in which an advisor sells a security for one client while at the same time buying it for another client. Cross trades generally occur when a client needs cash from their account which requires the sale of a fixed income security, yet the Firm's advisor still likes the valuation of the security and thus buys it for another client's account. The fixed-income broker-dealer used by the Firm charges discounted brokerage fees for effecting cross trades. All cross trades trade tickets are documented and filed for the retention period required under applicable SEC rules.

## **Item 12 – Brokerage Practices**

Sheets Smith Investment Management takes its fiduciary responsibility to clients very seriously. The Firm recognizes that achieving best execution on client trades is an important component of maximizing client account performance.

The Firm has accounts at multiple custodians. Except for a few large commission-based accounts with banks as custodians, all trades are placed with the clients' respective custodian as a block so that each client at that custodian should get the same average

price. The Firm attempts to complete all trades with these custodians the same day. To be fair with every custodian, including those accounts in UMAs, the order of the trades to each custodian are rotated from day to day so that over time there is no preferential treatment. The trades for the large commission-based accounts are executed as a block as well and are part of the trade rotation with all other custodians.

If there is a partial fill of an order at a given custodian, the shares are either prorated by the custodian or allocated on a random basis depending on how many shares were completed and the price of the individual security.

For accounts held at large custodian banks, Sheets Smith Investment Management uses various broker-dealers to execute trades in order to achieve best execution. Broker-dealers are selected according to ease of execution, timeliness, quality of service, commission rates, and ability to achieve the best price. The Firm generally pays between \$0.01 and \$0.05 a share for equity trades. A list of approved broker-dealers that can be used by the Firm is contained in the Firm's compliance manual. These trades are placed over the phone or via email. Unlike electronic trading, phone or emailed orders are not necessarily executed instantly and therefore the Firm's advisors monitor the quality of trade execution received. As long as the execution price is near or better than the mean price for the security on the day the trade was called in, the Firm is generally comfortable that the broker-dealer selected provided a fair price on the trade. In the event that a broker-dealer is judged over time to have failed to provide quality service and fair execution on large trades, that broker-dealer will be removed from the Firm's approved broker-dealer list.

In certain circumstances a sizable block order may be placed with a broker-dealer, the broker-dealer may be instructed to "work" the order. In these instances, the price (or prices) at which the trade is executed is compared to the day's trading range and average price of the security in question in order to determine if the broker-dealer obtained best execution.

The Firm typically uses fixed income ETFs for its fixed income investments or will search for bonds with the client's custodial broker. In some cases involving fixed-income securities, particularly municipal bond investments, the Firm uses broker-dealers who specialize in fixed-income and, therefore, are more likely to offer the desired inventory and pricing. When the Firm trades with a specific fixed-income specialist, the Firm's advisors use bond market benchmarks to gauge the value of a specific security before executing a trade. For example, the Firm's advisors may reference data available from Bloomberg to assess whether a bond's price and yield is reasonable relative to similar fixed-income securities.

**Research and Other Soft Dollar Benefits:**

Sheets Smith Investment Management receives investment research from various broker-dealers, mostly via e-mail or through company portals, but is not obligated to trade a required amount with any broker-dealer. Sheets Smith Investment Management uses Bloomberg Professional Services and Panaray<sup>®</sup>, a database and analytical research service provided by William O'Neil & Co. Sheets Smith Investment Management is paying the cost of these research services directly. The final cost of Panaray<sup>®</sup> will be determined by the commissions directed to O'Neil. Because commissions are relatively small, the Firm believes there will be little change in the annual cost. The Firm believes its brokerage requirements and subsequent commissions paid to broker-dealers are in-line with most other investment counseling firms. Commissions are directed to various broker-dealers in order to keep research materials and services available to the Firm. The research received in return for such commissions may not directly benefit the client accounts that pay the commissions. The Firm believes that its use of research qualifies under the safe harbor for the use of soft dollars under Section 28(e) of the Securities Exchange Act of 1934.

Schwab Institutional also makes available to Sheets Smith Investment Management other products and services that benefit the Firm, but that do not benefit client accounts. Some of these other products and services assist the Firm in managing and administering client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information, and other market data; facilitate payment of the Firm's fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Schwab Institutional also makes available to the Firm other services intended to help the Firm manage its business. These services may include consulting, webcasts, publications and conferences on items such as practice management, regulatory compliance, information technology, and marketing. Schwab Institutional may use independent third parties to help disseminate the information from the above-mentioned topics. Schwab Institutional provides these services to the Firm free of charge.

**Block Trading:**

Sheets Smith Investment Management uses block trading when buying or selling the same equity for more than one client account at a given custodian. Clients participating in an aggregated (block) order will receive an average share price, and all transaction costs are shared on a pro-rata basis. Partially block orders are allocated on a pro-rata basis.

## **Cross Trades:**

Sheets Smith Investment Management has a written compliance policy that prohibits advisors from executing equity cross trades. The Firm permits fixed-income cross trades if the cross trade makes sense for both clients. The last paragraph of Item 11 contains further disclosure regarding the Firm's fixed-income cross trade policy.

## **Item 13 – Review of Accounts**

Sheets Smith Investment Management employs an investment style that actively manages portfolios to adjust for changes in economic conditions, the relative, risk-adjusted value of the capital markets, company specific conditions and other factors. The process is highly quantitative but is not an algorithm. Accounts are assigned to models based on client investment objectives and risk tolerance. Changes in asset allocation or security selection results in adjustments to these models. Accounts are then reviewed when these changes occur and are, therefore, monitored on a continuous basis throughout the year. More frequent reviews may be triggered by other variables such as a change in a client's individual circumstances.

Advisors use the Firm's portfolio management software to review client accounts. Portfolio data is based on the close of the prior business day. Advisors also have the ability to review client accounts through the custodians' websites. An electronic or paper custodian monthly statement is accessible by the Firm for all clients. Material deposits to or withdrawals from an account, as well as a corporate transaction such as a merger or acquisition involving a security held in a client account, will trigger a review of that client account. If these events call for contacting the client, the advisor will contact the client. The Firm's advisors also will review client accounts after executing block trades to verify that the allocations are correct.

The Firm's clients receive statements from their custodians on a monthly basis. Custodian banks send paper statements, while most clients whose assets are custodied at Schwab Institutional have signed up for eDelivery and receive notification via e-mail that statements are available online. If clients are not signed up for eDelivery, they receive paper statements. The Firm's advisors provide performance and holdings reports to clients upon request or when meetings with the clients are held. During client meetings, the Firm's advisors discuss portfolio performance, present and future investment strategy, and any events that may have led to a change in risk tolerance or time horizon for the client.

## **Item 14 – Client Referrals and Other Compensation**

Sheets Smith Investment Management receives no economic benefits from third parties for providing investment advice, including sales awards or other prizes, to any of its clients.

To the extent insurance products are purchased through an investment advisory representative, the investment advisory representative will be paid a commission by the insurance company who issues the policy. This creates a conflict of interest as there is an incentive for them to recommend insurance products based on the compensation received, rather than on your needs. Notwithstanding such conflict of interest, we address our fiduciary duty by utilizing insurance products only where it is in the best interest of clients, and after consultation with the client.

## **Item 15 – Custody**

Sheets Smith Investment Management has the authority to debit fees directly for its accounts that reside at Schwab Institutional. Because of this authority, the Firm is deemed, under applicable SEC rules, to have custody of client funds. However, the Firm does not hold or custody any securities or funds. Clients are notified of fees deducted through mailed invoices. For accounts that are custodied by other custodians, the Firm notifies the custodian of the fees to be charged. The custodian then debits the client accounts and sends the Firm a check or electronic funds transfer for the client fees.

All clients either receive or have electronic access to monthly statements from their respective custodians. Sheets Smith Investment Management receives a courtesy copy of these statements or has access to them electronically.

## **Item 16 – Investment Discretion**

Sheets Smith Investment Management accepts discretionary authority to manage securities accounts on behalf of all Firm clients. Prior to assuming discretionary authority, clients are provided with a written Sheets Smith Advisory Agreement to sign that provides the Firm with this discretion. Clients are also provided a current Form ADV, Part 2A and Part 2B. In some cases, transactions, purchases, and sales of securities and their amounts may be subject to client approval depending on the preferences of the client and the type of relationship.

## **Item 17 – Voting Client Securities (*i.e.*, Proxy Voting)**

### **Proxy Voting:**

SSIM utilizes the services and voting methodology of Egan Jones ([www.ejproxy.com](http://www.ejproxy.com)) to vote client proxies on all managed accounts. Egan Jones has agreed to use their “Standard” methodology when voting on behalf of client. This methodology generally focuses on three guiding principles; 1) directors should be accountable to shareholders, and management should be accountable to directors; 2) information on the Company supplied to shareholders should be transparent; and 3) shareholders should be treated fairly and equitably according to the principle of one share, one vote. A complete description of this voting methodology is available from SSIM upon request.

Clients may “opt out” of this voting service by notifying SSIM in writing.

Unless the client specifically “opts out”, SSIM will vote proxy on managed accounts. SSIM will utilize the services and voting methodology of Egan Jones standard proxy method. For additional information on this voting methodology, please see [www.ejproxy.com](http://www.ejproxy.com).

### **Class Action Lawsuits:**

Unless the client specifically “opts out”, Chicago Clearing Corporation (“CCC”) has been engaged to provide class action litigation monitoring and securities claim filing services on their behalf. CCC handles the filings from start to finish and charges a contingency fee of 15%, which is subtracted at the time of payment from the client’s portion of the litigation payout.

## **Item 18 – Financial Information**

The Firm has an independent public accountant who is responsible for tracking finances and producing financial statements. There are no financial conditions that are likely to impair the Firm’s ability to meet its contractual commitments to clients.

Sheets Smith Investment Management, LLC is an investment advisor that is primarily compensated by investment management/advisory fees. Investment management/advisory fees are earned quarterly based on the market value of assets managed by the firm. The firm may charge hourly or fixed fees for professional services, such as financial planning services, that are not investment advisory in nature. The primary purpose of the

Paycheck Protection Program Loan under the CARES Act was to help businesses retain their existing staff during this period of economic uncertainty. Sheets Smith received a PPP loan as a precaution. This loan was used for payment of payroll and other operational expenses for our firm. The loan is now forgiven.

## **Item 19 – Requirements for State-Registered Advisors**

This section is not applicable to Sheets Smith Investment Management.





**SHEETS SMITH**  
Investment Management

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## **ADV Part 2B – Brochure Supplement**

**Z. Cornell Bowden**  
**Sheets Smith Investment Management, LLC.**  
**President, Wealth Manager**

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***This brochure supplement provides information about Z. Cornell Bowden that supplements the Sheets Smith Investment Management brochure. A copy of that brochure precedes this supplement. Please contact Z. Cornell Bowden if the Sheets Smith Investment Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about Z. Cornell Bowden is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)***

## **Item 2: Educational Background and Business Expertise**

Z. Cornell Bowden is Manager of Sheets Smith Investment Management, LLC. which was founded in 2015. He is lead portfolio manager of the Dynamic Asset Allocation Balanced and the Quantitative Equity portfolios. For eleven years prior to joining Sheets Smith Wealth Management in May 2003, Mr. Bowden was the Chief Investment Officer of Atlantic Capital Management, Ltd. His earlier portfolio management experiences include Senior Vice President and equity strategist of Companion Capital Management, Inc. As Vice President and portfolio manager of Bankers Trust of South Carolina, now Bank of America, Mr. Bowden managed the equity funds of the trust department. He began his investment career as a securities analyst with Wachovia Bank and Trust Company, N.A. Mr. Bowden received a Master of Business Administration Degree in Finance from Emory University's Goizueta Business School in 1972 and a Bachelor of Science Degree in Mathematics from Duke University in 1970.

## **Item 3: Disciplinary Information**

Z. Cornell Bowden has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Z. Cornell Bowden has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

Z. Cornell Bowden is not actively engaged in any other business activities.

## **Item 5: Additional Compensation**

Z. Cornell Bowden does not receive additional compensation from any third party for providing investment advisory services.

## **Item 6: Supervision**

Z. Cornell Bowden is supervised by Gregory C. Bowden, Chief Compliance Officer. Gregory C. Bowden can be contacted by phone at 346-867-8606. Gregory C. Bowden monitors the advisory activities of Z. Cornell Bowden through:

- Periodic and regular monitoring of trade activities
- Periodic and regular monitoring of client correspondence, including e-mail
- Periodic and regular monitoring of his personal trading activities including any account over which Z. Cornell Bowden has direct or indirect beneficial interest.
- Periodic and regular monitoring of his outside business activities
- Annual attestations of business and personal activities

Additionally, Sheets Smith Investment Management maintains policies and procedures and a code of ethics to guide the supervision of our advisory activities.



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## **ADV Part 2B – Brochure Supplement**

**Gregory C. Bowden**  
**Sheets Smith Investment Management, LLC.**  
**Managing Director/Sr. Portfolio Manager/Chief Compliance Officer**

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***This brochure supplement provides information about Gregory C. Bowden that supplements the Sheets Smith Investment Management brochure. A copy of that brochure precedes this supplement. Please contact Gregory C. Bowden if the Sheets Smith Investment Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

## **Item 2: Educational Background and Business Expertise**

Gregory C. Bowden is a Managing Director and the Chief Compliance Officer at Sheets Smith Investment Management LLC. He is also a Sr. Portfolio Manager and Investment Analyst for the Dynamic Asset Allocation Balanced and the Quantitative Equity portfolios. Prior to joining Sheets Smith in November 2015, Mr. Bowden served in various Financial Planning and Analysis roles with Bristow Group, Inc., Melior Innovations, Inc. and Waste Management, Inc. His experience includes mergers and acquisitions, corporate venture capital investing, business valuations, and forecasting and budgeting. He holds a Master of Bioengineering from Rice University and a Master of Business Administration from Rice University's Jones Graduate School of Business. In addition, he was awarded a Bachelor of Science degree with Highest Honors in Mechanical Engineering from the Georgia Institute of Technology. He is a Level III candidate for accreditation as a Chartered Financial Analyst (CFA).

### **CHARTERED FINANCIAL ANALYST**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute—the largest global association of investment professionals. There are currently more than 90,000 CFA charter holders working in 134 countries. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards:**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA charter holders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition:**

Passing the three CFA exams is an accomplishment requiring extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry.

### **Comprehensive and Current Knowledge:**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity

analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning. The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and investment and wealth management skills to reflect the dynamic and complex nature of the profession. To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org)

### **Item 3: Disciplinary Information**

Gregory C. Bowden has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Gregory C. Bowden has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

### **Item 4: Other Business Activities**

Gregory C. Bowden is not actively engaged in any other business activities.

### **Item 5: Additional Compensation**

Gregory C. Bowden does not receive additional compensation from any third party for providing investment advisory services.

### **Item 6: Supervision**

Gregory C. Bowden is the Chief Compliance Officer for the firm. He can be contacted by phone at 346-867-8606. Z. Cornell Bowden monitors the advisory activities of Gregory C. Bowden through (i) the periodic and regular monitoring of his personal trading activities including any account over which Gregory C. Bowden has direct or indirect beneficial interest and (ii) the annual attestations of business and personal activities.

Additionally, Sheets Smith Investment Management maintains policies and procedures and a code of ethics to guide the supervision of our advisory activities.



**SHEETS SMITH**  
Investment Management

5600 NW Central Dr, Suite 221  
Houston, TX 77092  
(346) 867-8606  
SheetsSmithIM.com

## **ADV Part 2B – Brochure Supplement**

**Kyle M. Fritz**  
**Sheets Smith Investment Management, LLC.**  
**Portfolio Manager**

5600 NW Central Drive, Suite 221  
Houston, Texas 77092

346-867-8606

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

Dated: March 28, 2022

***This brochure supplement provides information about Kyle M. Fritz that supplements the Sheets Smith Investment Management brochure. A copy of that brochure precedes this supplement. Please contact Kyle M. Fritz if the Sheets Smith Investment Management brochure is not included with this supplement or if you have any questions about the contents of the supplement.***

***Additional information about Kyle M. Fritz is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).***

## **Item 2: Educational Background and Business Expertise**

Kyle M. Fritz is Portfolio Manager at Sheets Smith Investment Management, LLC (SSIM), which was founded in 2015. He co-manages the Dynamic Asset Allocation Balanced and the Quantitative Equity portfolios. Prior to joining SSIM, Mr. Fritz was briefly at the Private Bank at Bank of America as a Sr. Associate. He began his investment career at Northwestern Mutual as a Financial Representative and an Investment Analyst with the Three Chords Wealth Management Advisors. Three Chords spun out of Northwestern Mutual where Mr. Fritz became Portfolio Manager. Mr. Fritz earned a Master of Finance degree from the University of Notre Dame's Mendoza College of Business in 2021 and a Bachelor of Science in Maritime Administration from Texas A&M University in 2018.

## **Item 3: Disciplinary Information**

Kyle M. Fritz has not had: (1) any civil or criminal actions brought against him; (2) any administrative proceedings before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or (3) any proceedings before a self-regulatory organization. Further, Kyle M. Fritz has not had proceedings in which a professional attainment, designation, or license was revoked or suspended.

## **Item 4: Other Business Activities**

Kyle Fritz is an insurance agent.

## **Item 5: Additional Compensation**

Kyle M. Fritz does not receive additional compensation from any third party for providing investment advisory services. Mr. Fritz does receive additional compensation for commissions on insurance policies he sells.

## **Item 6: Supervision**

Kyle M. Fritz is supervised by Gregory C. Bowden, Chief Compliance Officer. Gregory C. Bowden can be contacted by phone at 346-867-8606. Gregory C. Bowden monitors the advisory activities of Kyle M. Fritz through:

- Periodic and regular monitoring of trade activities
- Periodic and regular monitoring of client correspondence, including e-mail
- Periodic and regular monitoring of his personal trading activities including any account over which Kyle M. Fritz has direct or indirect beneficial interest.
- Periodic and regular monitoring of his outside business activities
- Annual attestations of business and personal activities

Additionally, Sheets Smith Investment Management maintains policies and procedures and a code of ethics to guide the supervision of our advisory activities.



**NOTICE OF WRITTEN INFORMATION SECURITY PROGRAM  
(PRIVACY NOTICE) of  
SHEETS SMITH INVESTMENT MANAGEMENT, LLC.**

*This is for your information only. No action is required on your part.  
To request a copy of our ADV Form Part II, please contact us at 346/867-8606.*

At Sheets Smith Investment Management, LLC, protecting your privacy is very important to us. We want you to understand what information we collect and how we use it. We collect and use “nonpublic private information” in order to provide our clients with a broad range of financial services as effectively and conveniently as possible. We treat nonpublic personal information in accordance with our privacy policy.

“Nonpublic personal information” is nonpublic information about you that we obtain in connection with providing a financial service or product to you.

• **What Information Do We Collect?**

In order to fulfill our obligations to you, we need certain information. Generally, this includes your name, address, social security number, date of birth, account numbers, and information about your income. We may also have access to other sensitive information, such as credit scores, income tax information and so forth.

• **Where Do We Get This Information?**

We may collect nonpublic personal information about you from a variety of sources, such as:

- Information we receive from you on applications or other forms;
- Information about your transactions with us, our affiliates or others, such as the custodian(s) of your account(s); and
- Information we receive from non-affiliated third parties, including consumer reporting agencies.

• **What Information Do We Disclose and To Whom Do We Disclose It?**

We do not disclose any nonpublic information about you without your express consent, except as permitted by law and as needed to provide the services you have requested. This applies to current as well as former clients. We restrict access to your nonpublic personal information to those who need to know that information in order to provide products or services to you.

Our “affiliates” are companies with which we share common ownership. We currently have one affiliated company – Sheets Smith Wealth Management, Inc., with which we may share your nonpublic personal information.

• **Our Security Procedures**

We maintain physical, electronic and procedural safeguards to protect your nonpublic personal information. This includes measures to protect your information in the course of its disposal.