

SMITH SHELLNUT WILSON

Investment Counsel and Management

INVESTMENT MANAGEMENT AGREEMENT MADISON COUNTY BOARD OF SUPERVISORS

This agreement ("Agreement") is made this _____ day of _____, 2017, by and between Smith Shellnut Wilson, LLC, a Mississippi limited liability company ("SSW" or "Company"), and the Madison County Board of Supervisors ("Client").

In consideration of the premises and the mutual covenants and conditions herein contained, the parties agree as follows:

1. Investment Advice. SSW shall provide the Client with investment advice and management services in the manner and to the extent that SSW shall determine to be appropriate or which is reasonably requested by the Client. Such investment advice and management services shall be limited to only those securities and other property which the Client designates as being covered by SSW's authority.

2. Discretionary Authority. The Client hereby appoints SSW as the Client's agent and attorney in fact and authorizes SSW to make such trades of securities, or other property, as SSW, acting through its Investment Committee in the exercise of its discretion, determines to be prudent, in accordance with all applicable state and federal laws.

3. Other Services. SSW shall provide, or cause to be provided, such brokerage, clearance, settlement, custodial and other functions and services permitted by law as may be determined by SSW to be necessary or desirable in carrying out the terms of this Agreement. The Client may request that SSW utilize certain brokers to effect or execute transactions but agrees to pay any charges or commissions incurred. In recognition of the Company's fiduciary responsibilities, security transactions may be conducted with a significant number of brokers who provide "best execution". The receipt of research services, including economic, sector and individual security analysis, may be a factor in selecting brokers. Accordingly, in acknowledgment of the services provided, Company may occasionally pay commissions to brokers which exceed that which another might have charged for the same transaction. Research services received may benefit all accounts for which the Company has investment discretion. Any and all soft dollar arrangements will be reviewed for compliance with §28(e) of the Securities Exchange Act of 1934, as amended.

4. Compensation. SSW bills fees quarterly and in arrears. In the absence of a specific request, all fees will be billed by the custodian, directly from the client account. The SSW fee is calculated on a quarterly basis, based on the average month-end market value of the portfolio. The calculated fee shall be as follows:

- For quarterly average portfolio values less than \$4,800,000, ¼ of 1% (one quarter of one percent) of the market value of the portfolio annually, with no minimum fee;
- For quarterly average portfolio values of \$4,800,000 or more, 1/8 of 1% (one eighth of one percent) of the market value of the portfolio annually, with a minimum quarterly fee of \$3,000 (three thousand dollars).

Fees are negotiable.

5. Records and Reports. SSW shall ensure that the custodian provides the Client with written confirmations of each trade and monthly, or quarterly, brokers' statements. SSW will provide quarterly investment management reports or such other periodic reports concerning the transactions effected in the account.

6. Term. Subject to Client's right to terminate this Agreement without penalty within (5) business days of execution of this Agreement, the term of this Agreement shall be a period of one year beginning on the date first above written; provided that it shall automatically be renewed for successive additional one year terms without further action by the parties. This agreement may be terminated by either the Client or SSW upon payment of all sums, which may be owing to it under this Agreement. Written notice of termination must be provided by terminating party.

7. Subject to Law. All transactions under this Agreement shall be subject to applicable laws, rules and regulations of governmental authorities, and the applicable regulations and customs of exchanges, markets and clearing houses. Whenever any law, rule or regulation is enacted by any governmental authority, exchange, market or clearing house which shall affect in any manner, or be inconsistent with, any of the provisions hereof, or

whenever any portion of this contract is declared invalid or void by any court of competent jurisdiction, the provisions of this Agreement so affected shall be deemed modified or superseded to the extent necessary in order to avoid violation of such enactment.

8. Waiver. Except as otherwise provided for herein, no provision of this Agreement shall be waived, altered, modified or amended except in writing signed by the party against whom such waiver, alteration, modification or amendment is sought to be enforced.

9. No Assignment of Agreement or Duties. Neither party may assign this Agreement, in whole or in part, nor delegate, except as contemplated herein, all or part of the performance of duties requested of it by this Agreement without the prior written consent of the other party, and any attempted assignment or delegation without such consent shall be void.

10. Notice. Any notice, request or instruction to be given hereunder shall be in writing and personally delivered or sent by electronic means, provided that the original of such notice is sent by certified United States mail, postage prepaid, return receipt requested or via overnight courier with signed receipt, to the party to whom the notice should be given at their business address listed below.

11. Governing Law. SSW shall comply with and all activities under this Agreement shall be subject to all applicable federal, state and local laws, regulations, policies and procedures as now existing or as may be amended or modified. SSW shall not discriminate in the performance of this Agreement because of race, creed, color, sex, age, national origin or disability. Venue shall be in the Circuit Court of Madison County, MS.

12. Proxies. SSW will not be required to take any action with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Client may be invested from time to time.

13. Valuation. In computing the market value of any investment of the Client each security listed on any national securities exchange and for which recent market quotations are readily available shall be valued at the last reported sale price on the principal exchange on which such security is traded, or, if there has been no recent reported sale, at the last reported bid price. Any other security or asset shall be valued in the manner determined in good faith by SSW to reflect its fair market value.

14. Periodic Reports. SSW shall furnish continuous advice as to the investment of funds on the basis of the individual needs of the Client and, at least quarterly, provide the Client with a statement of the account which shall constitute a reminder to communicate any change in the Client's financial situation and needs to SSW.

15. Ownership of Funds. The client shall maintain, to the extent reasonably practicable, every indicia of ownership of its funds, including (1) the right to withdraw, hypothecate, vote or pledge securities; and (2) the receipt of notification of each security transaction. The Client shall have the opportunity and authority to instruct SSW in writing to refrain from purchasing particular securities which otherwise might be purchased.

16. Services to Other Clients; Violation of Laws.

- (a) It is understood that SSW performs investment management services for various clients. The Client acknowledges that SSW may give advice and take action with respect to any of its other clients which may differ from advice given with respect to any security or other property, or the timing or nature of action taken with respect to any security or other property.
- (b) Nothing in this Agreement shall impose upon SSW any obligation to purchase or sell, or to recommend for purchase or sale, any security for the client which SSW, or its members, principals, affiliates or employees, may purchase or sell for its or their own accounts or for the account of any other client, if in the discretion of SSW such investment would be unsuitable for the Client or if SSW determines in the best interest of Client it would be impractical or undesirable.
- (c) SSW shall have no obligation hereunder to cause Client to engage in any transaction on the basis of any information known to SSW's members, principals, affiliates, employees or agents wherein the utilization of such information might, in SSW's judgment, constitute or involve a violation of law

or breach of any fiduciary or confidential relationship by SSW and /or its members, principals, affiliates, employees or agents.

17. Supplemental Disclosures. Client also acknowledges SSW has provided Client with its Form ADV, Part (II), and privacy notice.

18. Insurance. SSW represents that it will maintain worker's compensation insurance as prescribed by law, as well as comprehensive general liability. SSW will, upon request, furnish Client with a certificate of conformity providing the aforesaid coverage.

19. Conflict of Interest. SSW shall notify Client of any potential conflict of interest resulting from the representation of or service to other clients. If such conflict cannot be resolved to Client's satisfaction, Client reserves the right to terminate this Agreement.

20. Sovereign Immunity. By entering into this Agreement with SSW, Client does in no way waive its sovereign immunities or defenses as provided by law.

21. Confidential Information. SSW shall treat all client data and information to which it has access by its performance under this Agreement as confidential and shall not disclose such data or information to a third party without specific written consent of Client. In the event that SSW receives notice that a third party requests divulgence of confidential or otherwise protected information and / or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of such information, SSW shall promptly inform Client and thereafter respond in conformity with such subpoena to the extent mandated by state and / or federal laws, rules and regulations. This Article shall survive the termination or completion of this Agreement, shall continue in full force and effect, and shall be binding upon SSW and its agents, employees, successors, assigns, subcontractors or any party or entity claiming an interest in this Agreement on behalf of or under the rights of SSW, following any termination of this Agreement.

22. Contract Validity. All contracts, amendments or waivers are valid only if signed by the President of the Madison County Board of Supervisors and after approval by the Board.

23. Employment Status. SSW shall, during the entire term of this Agreement, be construed to be a professional investment advisor. Nothing in this Agreement is intended to nor shall it be construed to create an employer- employee relationship or a joint venture relationship.

Neither SSW nor employees of SSW are entitled to state retirement or leave benefits as a result of this Agreement.

IN WITNESS WHEREOF, the Client has executed this Agreement and it has been accepted by Smith Shellnut Wilson, LLC in Madison, Mississippi as of the date first above written.

/ /2017
(Date)

(Signature)

Trey Baxter, President
Madison County Board of Supervisors
125 West North St.
Canton, MS 39046

SMITH SHELLNUT WILSON, LLC

By: _____

ACCEPTED:

(A Duly Authorized Member)
150 Fountains Blvd., Suite A
Madison, MS 39110

Item 1 – Cover Page

**Form ADV Part 2A
Brochure for:**

SMITH SHELLNUT WILSON

**150 Fountains Blvd., Ste. A,
Madison, MS 39110
(601) 605-1776
www.ssw1776.com**

3/30/2016

This Brochure provides information about the qualifications and business practices of SMITH SHELLNUT WILSON (“ADVISER” or “SSW”). If you have any questions about the contents of this Brochure, please contact us at 601.605.1776/or lynnp@ssw1776.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SMITH SHELLNUT WILSON is a registered investment adviser. Registration of an Investment Adviser does not imply any certain level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SMITH SHELLNUT WILSON also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Effective May 20, 2015, Alan R. Leach is now a registered Investment Advisor Representative (IAR) for SSW. Alan's biographical information has been added to ADV Part 2B.

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Item 4 – Advisory Business

INVESTMENT ADVISORY SERVICES

Smith Shellnut Wilson, LLC (“SSW” or “Adviser”) was founded in 1995 and offers investment advisory services which include discretionary and non-discretionary management of investment portfolios for a variety of clients including, but not limited to, financial institutions, individuals, trusts and business entities in accordance with the investment objective(s) of the client. In addition, SSW may provide consulting services on investment-related matters. The firm is owned by five (5) persons with Frank W. Smith, Jr. owning more than 25% of the firm. As of December 31, 2015, SSW managed approximately \$1,868,900,000 with \$1,186,468,000 being non-discretionary and \$682,442,000 being discretionary.

Investment Management Services

Through the use of discussions, interviews and/or client questionnaires, SSW assists each client in determining investment goals and identifying risk tolerance levels. These investment goals are captured in a document referred to as an “Exhibit A”. Once this process is complete, SSW develops a customized investment portfolio for the client using a mix of domestic and foreign equities, fixed income securities, mutual funds and exchange traded funds and other products deemed suitable for the client. SSW purchases Trust Preferred Securities (“TruPS CDOs”) for its clients, as well as other structured securities. Client portfolios are diversified based upon their risk profile, investment horizon, financial goals, income needs (current and potential), and other various suitability factors. Individual securities are selected primarily with the aid of fundamental analysis and the review of independent research, news sources and rating services. The selection of securities may be influenced by SSW’s relationship with clients who issue securities, and that selection of such securities serves to provide funding for SSW’s clients issuing the securities, representing an actual or potential conflict of interest. SSW has a material interest in its clients remaining well-financed, as financial difficulties for its clients may result in a reduction in fees and assets under management for SSW.

SSW may purchase or recommend securities for a client account that are, at the time of purchase, considered illiquid or may subsequently become illiquid. Illiquid securities, including alternative investment products such as real estate investments, hedge funds, private equity, and collateralized debt obligations such as pooled trust preferred securities involve a high degree of risk, may engage in leveraging or other speculative investment practices that increase the risk of investment loss, may not be registered with the Securities and Exchange Commission, may not be required to provide periodic pricing or valuation information to investors, and may involve complex tax structures and delays in distributing important tax information. Illiquid securities generally involve subjective

valuation/pricing issues which will affect the value and performance of a client account, are not subject to the same regulatory requirements as publicly traded securities, may charge higher fees which could offset any trading profits, and, in some cases, the underlying investments are not transparent and are only known to the investment manager. The value of illiquid securities can be volatile, resulting in erratic investment performance. An investor could lose all or a substantial amount of his or her investment. There are usually significant restrictions on transferring interests in any illiquid investment. In some cases, pricing for illiquid securities is provided to SSW by brokerage firms or custodians used to execute transactions for you and/or other of our clients, representing a potential conflict of interest. In addition, SSW manages accounts, such as reserve accounts associated with real estate limited partnerships, for sponsoring such illiquid investments. The fact that the managers sponsoring illiquid investments are also SSW clients results in a potential conflict of interest.

Portfolio management services are offered to clients on a discretionary and non-discretionary basis. Restrictions and guidelines imposed by clients affect the composition and performance of portfolios. For this reason, performance of portfolios within the same investment objective may differ.

Consulting Services

SSW provides consulting services to clients involving a review of various asset management and valuation issues, including pricing and impairment analysis of certain illiquid securities. These services are provided based on fixed-dollar fees individually negotiated with the client depending on the type of services requested. Fees are billed quarterly as services are rendered and the annual fee is billed in equal quarterly payments. All fees are negotiable. These services are not to be considered financial planning services as Adviser does not perform a comprehensive analysis of the client's financial position and does not prepare a written report documenting the review.

SSW also performs consulting services for accounts for which it monitors external advisory performance.

Clients are advised to promptly notify SSW if there are any changes in their financial situation or investment objectives or if they wish to impose any restrictions upon the Adviser's management services.

Item 5 – Fees and Compensation

General Fee Information

Adviser offers investment advisory services on a fee-only basis subject to the fee schedule on the following page. All fees are negotiable and are based upon the size and complexity of the assets under management.

Assets Under Discretionary Management	Annual Fee
First \$1,000,000	1.5%
Next \$3,000,000	1.0%
\$4 million and above	0.75%

For non-discretionary accounts, the fees are generally lower depending on the type of services provided and the complexity of the assets under management. Again, all fees are negotiable.

The annual fee is based upon a percentage of the market value of the assets being advised by SSW and is exclusive of, and in addition to, brokerage commissions, transaction fees, charges imposed directly by a mutual fund or exchange traded fund in the account and other fees and taxes on brokerage accounts and securities transactions. Adviser's fee is paid quarterly, in arrears, based upon an average of the month-end balances from the previous quarter. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Advisory Agreement is in effect. On a limited basis, in certain cases where actively-traded market values are not attainable, other market and non-market inputs are used in valuing assets.

SSW's Agreement with client may authorize Adviser to debit the client's account for the amount of Adviser's fee or the client may request to be invoiced directly. Quarterly statements provided to you by the custodian will reflect the amount disbursed from the account for management fees paid directly to SSW.

Subject to client's right to terminate the agreement with Adviser within five (5) business days after execution, the client agreement will continue in effect until terminated by either party with 30 days advance written notice. SSW's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

SSW provides analysis of certain illiquid securities on a fixed-dollar fee consultancy basis.

Mutual Fund Expenses

Generally, mutual fund companies impose management fees and other expenses on clients. Such fees are in addition to any costs associated with SSW investment advisory services described above. Complete details of such internal expenses are specified and disclosed in each mutual fund company's prospectus. Clients are hereby strongly advised to review the prospectus(es) prior to investing in such securities. SSW may recommend and/or purchase "no-load" or "load-waived" mutual funds for client accounts. In some cases, clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of SSW or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds purchased directly by a client and offered with a sales charge, the prevailing sales charge (as described in the

mutual fund prospectus) may be more or less than SSW's applicable advisory fee. However, in the case of such self-directed investments and accounts, clients would not receive the investment adviser representative's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary.

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

Smith Shellnut Wilson does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). SSW does not engage in side-by-side management (simultaneous management of hedge funds, mutual funds and/or separate accounts by the same adviser).

Item 7 – Types of Clients

SSW provides portfolio management services to individuals, high net worth individuals, corporate, profit-sharing and retirement plans, charitable institutions, foundations, endowments, municipalities, trust programs and other U.S. institutions. Minimum account size is \$500,000; however, SSW reserves the right to waive minimum account size at its sole discretion.

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

SSW utilizes fundamental, technical and cyclical security analysis methods to develop its investment strategies. SSW develops customized investment portfolios based on client needs and objectives. Therefore, each individual investment portfolio may be different in composition, structure and/or holdings, resulting in a variation of risk and return between investment portfolios. SSW does not guarantee that any or all of these individual investment portfolios will be profitable. Investing in securities involves risk of loss that clients should be prepared to bear.

Risk of Loss

Investing in securities involves risk of loss that Clients and investors should be prepared to bear. SSW cannot assure Clients that they will achieve their investment objectives, its investment strategies will prove successful or that Clients will not lose all or part of their investment.

The investment strategies utilized by SSW carry different levels of risk. In each strategy, all securities include a risk of loss of principal and any profits that have not been

realized. The stock markets and bond markets fluctuate substantially over time and, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. SSW cannot, nor does it, guarantee any level of performance to Clients. Prospective Clients and investors should carefully consider all potential risks, including but not limited to those summarized below:

Reliance on Key Personnel

SSW depends, to a great extent, on the services of a limited number of individuals in connection with the services provided to the Clients. The loss of such services or the loss of some key individuals could impair the ability of the Firm to perform its management and advisory activities.

Potential for Limited Liquidity in Some Portfolio Investments

Some of the securities in which SSW intends to invest may be thinly traded and some may have no market at all. These may include, but are not limited to, private placements. It is possible that the account may not be able to sell portions of such positions without facing significant losses.

Investments in Private Placements

Issuers whose securities are not publicly traded are not subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. Clients' portfolios may include securities issued by privately held issuers. There is generally little or no publicly available information about such issuers and the Client must rely on the diligence of SSW to obtain the information necessary for its decision to invest in them. There can be no assurance that the diligence efforts of SSW will uncover all material information about the privately held business necessary for a fully informed investment decision.

Structured Credit Products

Structured credit products are among the most risky, complex, and illiquid investment product types. Investors should not purchase such securities without the assistance of a qualified professional investment adviser who can determine investor suitability, and provide appropriate pre- and post-purchase due diligence and monitoring.

The term structured credit products is broadly defined to refer to all structured investment products where repayment is derived from the performance of the underlying assets or other reference assets, or by third parties that serve to enhance or support the structure. Such products include, but are not limited to, asset-backed commercial paper programs (ABCP); mortgage-backed securities or collateralized mortgage obligations (MBS or CMO); and other asset-backed securities (ABS), such as automobile and credit card-backed securities; structured investment vehicles (SIV), and collateralized debt obligations (CDO), including securities backed by trust preferred securities.

Structured Credit Products such as Collateralized Debt Obligations (CDO), Collateralized Loan Obligations (CLO), are complex instruments, typically involve a high degree of risk

and are intended for sale only to sophisticated and qualified investors who are capable of understanding the high degree of risks involved. Use of these instruments may involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, volatility risk, management risk and the risk that a portfolio could not close out a position when it would be most advantageous to do so. Portfolios investing in these products could lose more than the principal amount invested in those instruments. The market value of any structured products may also be affected by changes in economic, financial, and political environment (including, but not limited to spot and forward interest and exchange rates), maturity, market condition and volatility, and the credit quality of any issuer.

Fixed Income Securities

Price Risk

Fixed income investments will be influenced by financial market conditions and the general level of interest rates. In particular, if individual fixed income investments are not held to maturity, the portfolio may suffer a loss at the time of sale of such securities. Currently, interest rates are at historically low levels. A significant increase in interest rates will cause bond prices to fall. By way of example, a +300 basis point increase in the intermediate-term interest rates from current levels will lead to an approximate 15% decline in the value of a 5-year Treasury note.

Credit Risk

Credit risk refers to an issuer's ability to make timely payments of interest and principal. To the extent that the portfolio is invested in securities with medium or lower credit qualities, it is subject to a higher credit risk than a portfolio investment only in investment grade securities. The credit quality of non-investment grade securities is considered speculative by recognized rating agencies with respect to the issuer's continuing ability to pay interest and principal. Lower-grade securities may have less liquidity and a higher incidence of default than higher-grade securities. The credit risks and market prices of lower-grade securities generally are more sensitive to negative issuer developments, such as reduced revenues or increased expenditures, or adverse economic conditions, such as a recession, than are higher-grade securities.

Call Risk

If interest rates fall, it is possible that issuers of debt securities with high interest rates will prepay or "call" their securities before their maturity dates. In this event, the proceeds from the called securities would likely be reinvested by the Firm in securities bearing the new, lower interest rates, resulting in a possible decline in the portfolio's income and returns.

High Yield Equity and Fixed Income Instruments

High yield securities are speculative in nature, highly volatile, and investing in such securities may result in significant loss of principal. On occasion, certain high yield

investments may not be readily salable and information to determine their current values may not be available.

Alternative Investments

Alternative investment products, including real estate investments, hedge funds and private equity, whether exchange-traded or privately placed, involve a high degree of risk, often engage in leveraging and other speculative investment practices that increase the risk of investment loss, can be highly illiquid, may not be required to provide periodic pricing or valuation information to investors, involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager. Alternative investment performance can be volatile. An investor could lose all or a substantial amount of his or her investment.

Concentration Risk

Client portfolios may be concentrated in securities of a small number of issuers, subject to the limitations noted in the account objectives or client investment policies. The result is that the securities in which the account invests may not be diversified across many sectors or they may be concentrated in specific regions or countries. A relatively high concentration of assets in a single or limited number of investments reduces the diversification of the account.

Stock Market Risk

Stock markets recently have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions such as recessions, interest rate changes or international currency fluctuations, may negatively impact your investment return.

Stock Market Exchange Risk

Stock market exchanges have, in the past, experienced problems such as temporary exchange closures, broker defaults, settlement delays and broker strikes that, if they occur again in the future, could affect the market price and liquidity of the securities in which your account invests. In addition, the governing bodies of the various stock exchanges have, from time to time, imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Disputes have also occurred from time to time among listed issuers, the stock exchanges and other regulatory bodies, and in some cases, those disputes have had a negative effect on overall market sentiment. In addition, there have been delays and errors in share allotments relating to initial public offerings, which in turn could affect overall market sentiment and lead to fluctuations in the market prices of the securities of those issuers and others in which your account is invested.

The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment with SSW. Prospective clients should read the entire Brochure, including the potential conflicts of interest described in Item 11.

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 your evaluation of Smith Shellnut Wilson or the integrity of Smith Shellnut Wilson’s management. Smith Shellnut Wilson has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Providing investment advice is the principal business of Smith Shellnut Wilson. Smith Shellnut Wilson also offers consulting services to certain advisory clients. SSW does not have any affiliates. SSW does recommend other investment advisers for its clients as part of consulting services but does not receive any additional compensation for such selections. Advisory clients may accept or reject any recommendation by SSW of an adviser.

Item 11 – Code of Ethics

SSW has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other provisions. All supervised persons at SSW must acknowledge the terms of the Code of Ethics annually, or as amended. SSW's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Michael Medlin at michaelm@ssw1776.com.

SSW anticipates that, in appropriate circumstances, consistent with clients' investment objectives and SSW's fiduciary obligations, it will cause accounts over which SSW has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which SSW, its related persons and/or clients, directly or indirectly, have a position of interest. SSW's employees and persons associated with SSW are required to follow SSW's Code of Ethics, which requires pre-clearance of trades by all employees for the firm (and anyone living in their household). Except for aggregated trades discussed below, employee requests for pre-clearance of personal trades in the same security that will or might be transacted in client accounts on the same day will generally be denied by the firm's Pre-Clearance Committee. Subject to satisfying this policy and applicable laws, principals and employees of SSW may trade for their own accounts in securities which are recommended to and/or purchased for SSW's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SSW will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not interfere with the best interests of SSW's clients. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held/purchased by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between SSW and its clients.

SSW or related persons are permitted to trade in the same securities as client accounts on an aggregated basis when consistent with SSW's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at the same average price. SSW will retain records of the trade order (specifying each participating account) and its allocation. Completed orders will be

allocated as specified in the initial trade order. Partially filled orders will be allocated on an equitable basis, with employee accounts being filled last. In limited circumstances block trades will be executed without pre-allocation as discussed in Item 16.

It is SSW's policy that the firm will not effect any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as a broker for compensation for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

SSW executes cross trades between client accounts at a price that we believe is fair to both buyer and seller. For such cross trades, SSW will not receive any additional compensation above its customary advisory fees.

From time to time, conflicts of interest arise which might affect client account(s) with SSW. Such conflicts of interest include, but are not limited to, SSW investing on a client's behalf in securities in which SSW employees or related persons have a direct or indirect interest, and SSW investing on a client's behalf in securities issued by another of SSW's clients. SSW manages its conflicts of interest in accordance with its Code of Ethics.

Item 12 – Brokerage Practices and Aggregation/Allocation of Trades

SSW has an arrangement with Fidelity Brokerage Services LLC ("Fidelity") which provides SSW with Fidelity's platform services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support SSW in conducting business and in serving the best interests of its clients but that may also benefit SSW.

Fidelity also makes certain research and brokerage services available at no additional cost to SSW. These services may include certain research and brokerage services obtained by Fidelity directly or from independent research companies. Research products and services provided by Fidelity include research reports on recommendations, or other information about particular companies or industries; economic surveys, data and analyses; financial publications; and other products or services that provide lawful and appropriate assistance by Fidelity to SSW in the performance of its investment decision-making responsibilities.

The aforementioned research and brokerage services are used by SSW to provide services to its clients.

Without such so-called "soft dollar" arrangements, SSW might be compelled to purchase the same or similar services at its own expense. In addition, SSW may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution. Certain items obtained with soft dollars may be used to service all client accounts, not exclusively those client accounts that paid for the benefits. That is, SSW does not allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

SSW believes that, in consideration of all services provided by Fidelity, it is providing overall execution quality consistent with SSW's duty to seek best execution for its clients.

When we reasonably determine that more than one broker can offer the brokerage services needed to obtain the best available price and most favorable execution, we may consider selecting those brokers that also supply soft dollar research and brokerage products and services to us in fulfilling our investment advisory responsibilities. These research and brokerage products and services include, among others, information on the economy, industries, groups of securities, individual companies, statistical information, accounting and tax interpretations, political developments, technical market action, pricing and valuation services, credit analysis, risk measurement analysis, performance analysis, and client portfolio reports. Again, without these arrangements, SSW might be compelled to purchase the same or similar services at its own expense.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and we make a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by us to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934, as interpreted by the SEC.

SSW selects and monitors broker-dealers on the basis of multiple factors, including price, trade expertise, reputation, services offered, capital commitment, market access, execution reliability, and dispute resolution.

Clients may direct which broker(s) are used; however, such an action may not result in best execution.

Aggregation/Allocation of Trades

It is SSW's policy that no client of the Firm shall receive preferential treatment over any other client, and the Firm and its employees will always place client interests first. In allocating securities among clients, it is the Firm's policy that all clients should be treated fairly over time.

Because of the difference in client investment objectives and strategies, risk tolerances, tax status, and other criteria, there will be differences among client portfolios in invested positions and securities held. The following factors may be taken into account by the Firm in allocating securities among clients:

1. client's investment objective and strategies;
2. client's risk profile;
3. client's tax status;
4. any restrictions placed on a client's portfolio by the client or by virtue of applicable legal constraints;
5. size of client account;
6. total portfolio invested position;
7. nature of the security to be allocated;
8. size of available position;
9. supply or demand for a security at a given price level;
10. current market conditions;
11. timing of cash flows and account liquidity; and
12. any other information determined to be relevant to the fair allocation of securities.

When SSW determines that it will buy or sell a position in a particular security, the Firm will use its best efforts to treat all client accounts that are suitable for an investment in the security in a fair and equitable manner over time. The Firm, if advantageous to clients, aggregates orders placed for the same security (CUSIP) on behalf of client accounts. Aggregation refers to placing a combined trade covering more than one client account for the same security (CUSIP). Aggregating trades may be beneficial to clients by:

1. Avoiding the time and expense of simultaneously entering similar orders for individual client accounts that are managed similarly;
2. Obtaining lower commission rates;
3. Ensuring that all accounts managed in a particular style obtain the same execution to minimize differences in performance; and
4. Obtaining a better execution price.

Clients in an aggregated trade participate at the average price for the block of securities traded and transaction costs are shared on a pro rata basis. For equity trades, transaction costs will be shared on a pro rata basis subject to brokerage minimum transaction costs. The Firm believes that aggregating orders in this manner, will, over time, be fair and equitable to all participants. However, in particular cases, the average price could be less

advantageous to a client account than if the client account had been the only account effecting the transaction or had completed the transaction before the other participants.

For aggregated trades, the Firm will generally complete a written allocation statement indicating which participating accounts are to receive how much of the securities before the final order is placed for execution. However, at times (particularly in the case of fixed-income securities), the Firm may be offered the opportunity to purchase a particularly attractive security requiring an immediate decision with no time to prepare a written allocation statement prior to placing the order. In such cases, an allocation statement will be completed after the order is placed, generally within two business days of order placement. Completing the allocation statement after the order is placed could result in a potential or actual conflict of interest between competing client accounts and/or SSW and the non-participating accounts.

Allocation Method

The Firm will allocate securities among suitable accounts based upon a number of factors which may include, but are not limited to, the factors listed in Section 10.1 above.

Employee trades are permitted to be aggregated with client trades. In the event of a partial fill of an aggregated trade in which employees participate, employee accounts will not be filled until all client accounts have received the appropriate allocation.

Allocation of Partial Fills

For discretionary clients, if orders for a security cannot be completely filled, the completed orders are generally allocated "pro rata" among the accounts included in the order based upon the order size specified, and taking into consideration all of the factors known to the firm. The Firm will make an allocation on a partial fill on a basis other than pro rata if the pro rata allocation would result in an odd lot position, or due to other client or market constraints including, but not limited to: situations in which the security is deemed unsuitable or inappropriate, changes in available cash position, client-directed cancellations or adjustments, legal/regulatory/policy constraints, non-conformance with the investment plan, or changes in liquidity requirements.

For non-discretionary clients, if orders for a security cannot be completely filled, the completed orders are generally allocated pro rata or on a first-come, first-served basis.

Any allocation of a partial fill on a basis other than pro rata for discretionary clients or pro rata or first-come-first-served for non-discretionary clients will be documented on the allocation statement and approved by a compliance officer no later than one hour after market open on the following business day.

Post Allocation Review

The Firm conducts a post-allocation review of client accounts for fair and equitable trade allocations by testing that accounts with similar objectives and risk tolerances achieve similar performance results over time.

Item 13 – Review of Accounts

Each advisory account is reviewed periodically (no less than annually) by the relationship manager and Account Review or Relationship Manager Committees. Content of the reviews includes portfolio composition relative to goals established in needs assessment, adherence to policy, asset allocation, and propriety of individual securities within each portfolio. Further, the Chief Compliance Officer or his designee will independently monitor and review accounts on an ongoing basis. The major thrust of compliance review will be to ensure compliance with policy. Quarterly, but no less frequently than annually, consultations are planned with clients to ensure a high level of communication and to monitor client needs. It is desirable that these consultations be in person.

Depending on the individual client needs, detailed monthly or quarterly statements are prepared from the software of an established vendor. Statements will include detailed information of transactions during the period as well as account positions at period end. Clients will be provided with account statements by their custodian reflecting their holdings and the transactions occurring in the client's account on at least a quarterly basis.

SSW encourages Clients to compare statements provided by SSW to the statements provided by their custodian.

Item 14 – Client Referrals and Other Compensation

SSW has arrangements with one or more unrelated third parties who act as solicitors for SSW. SSW compensates the third parties according to an ongoing fee-sharing agreement. Clients referred to SSW in accordance with any solicitation agreement do not pay a higher fee for advisory services as a result of the referral. The details of any such payments to any solicitor are described to clients as required, and acknowledged and accepted by those clients, in a signed solicitor's disclosure statement. SSW employees may be paid solicitation fees for securing new clients (or additional business from existing clients).

Item 15 – Custody

Clients receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. SSW urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

SSW usually receives discretionary authority from the client at the outset of an advisory relationship via a written or oral advisory agreement to select securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients may place restrictions upon SSW's discretionary authority.

When selecting securities and determining amounts, SSW observes the investment policies, limitations and restrictions of the clients it advises.

Investment guidelines and restrictions must be provided to SSW in writing. SSW typically will work with clients to outline investment plans through "Exhibit A" which is sometimes supplemented with a customized investment policy.

Item 17 – Voting Client Securities

SSW does not take any action or render any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which client assets may be invested. Proxy statements received by SSW will be forwarded to clients when possible or confidentially destroyed when not possible. SSW does take action or render advice with respect to securities held in client accounts that are named in or subject to class action lawsuits.

Item 18 – Financial Information

SSW has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**Form ADV Part 2B
Brochure for:**

SMITH SHELLNUT WILSON

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Madison, MS 39110
(601) 605-1776
www.ssw1776.com**

3/30/2016

This Brochure supplement provides information about Frank W. Smith, Jr., Frank W. Smith III, Raymond F. Thompson, William P. Johnson, Jr., Kenneth M. Lott, D. Michael Medlin and Alan R. Leach that supplements the SMITH SHELLNUT WILSON "ADVISER" brochure. You should have received a copy of that brochure. Please contact Lynn Pierce, Operations Manager at 601.605.1776 /or lynnp@ssw1776.com if you did not receive SMITH SHELLNUT WILSON's brochure or if you have any questions about the contents of this supplement.

Frank W. Smith, Jr. (01/02/1953), Founder and CEO

Prior to the establishment of SSW, Frank was a Senior Executive Vice President with Sunburst Bank responsible for the Bank's broker dealer subsidiary, mortgage company, trust department, finance company, and cash management division. He also managed the bank's \$600 million investment portfolio and chaired its asset/liability management committee. He brings to the table decades of experience in fixed-income securities, such as municipal, government and corporate bonds.

Frank received a B.A. from Rollins College in Winter Park, Florida, with a double major in business administration and economics, and received an M.B.A. from Delta State University. He is also a graduate of the National School of Bank Investments at the University of Illinois and the School of Banking of the South at Louisiana State University.

Frank W. Smith, III (10/09/1978), Principal, CFA

Prior to joining Smith Shellnut in 2005, Frank Smith served as a Wealth Management Portfolio Analyst for BankPlus in Ridgeland, Mississippi. He received his undergraduate degree from Delta State University in 2001 and his M.B.A. from Millsaps College in 2002, with a concentration in Finance and Marketing. Frank is a CFA charterholder.

Raymond F. Thompson (10/08/1953), Principal - Chief Investment Officer

Ray began his banking career in 1976 with Deposit Guaranty National Bank. During his tenure there, he served in various capacities including corporate planning, commercial lending, deposit product development and investment portfolio management. In 1998, at the time Deposit Guaranty was acquired by First American Corporation of Nashville, Tennessee, Ray was Chief Investment Officer of Deposit Guaranty Corporation and Managing Director of the Asset Management Group. In that capacity, he managed a \$4.3 billion trust division, a 40-person brokerage subsidiary, and a \$1.7 billion mutual fund complex.

Additionally, Ray was CEO of Deposit Guaranty's ParkSouth subsidiary, which provided investment advisory services to high net worth clientele. At First American, Ray was named Executive Vice President of the Investment Management Division, where he was the senior executive responsible for managing \$10 billion in assets.

Ray provides valuable depth to the fixed income and equity analytical team at SSW. Ray holds a B.A. degree from Cornell University, where he earned the distinction of Phi Beta Kappa. He also received an M.B.A. from Harvard University.

William (Will) P. Johnson, Jr. (01/26/1973), Principal

Will Johnson joined Smith Shellnut in 1995. Will works in the investment department in both fixed income and equities. With over two decades of experience in investment management, his industry insight and portfolio management acumen are major benefits to Smith Shellnut's clients. Will graduated from Mississippi State University with a B.B.A. in Banking and Finance. At Mississippi State, Will was a member of Elder Statesman Honorary, Financial Management Association, International Bourgeoisie Committee, and Kappa Sigma Fraternity.

Kenneth M. Lott (03/03/1955), Principal

Kenneth Lott joined SSW in June of 2001. He manages the Finance Division of SSW.

Kenneth has twenty-five years of banking experience, his most recent position being President and Chief Operating Officer of Lamar Capital Corporation and Lamar Bank, Purvis, Mississippi. During his thirteen year tenure at Lamar, Kenneth played an integral part in helping to grow the \$57 million bank to a \$430 million publicly traded company. His duties there included chairmanship of both the investment and asset/liability management committees.

Kenneth is an honor graduate of the University of Southern Mississippi with a B.S.B.A. degree in accounting. He is also an honor graduate of BAI's School for Bank Administration at the University of Wisconsin at Madison.

D. Michael Medlin (10/15/1984), Analyst

Michael began his career at Smith Shellnut as a portfolio analyst in 2007. Since then, he has taken on the additional roles of Chief Technology Officer and Director of the Internship Program. He uses his skillset to create value and improve the business performance of our clients. His background includes analysis of Collateralized Debt Obligations, fixed income portfolios and municipal bonds. Michael studied business at HKBU in Hong Kong, received a B.S. in Business Administration from Mississippi college and an M.B.A. from the Else School of Management at Millsaps College. Michael is a member of the National Society of Compliance Professionals.

Alan R. Leach (6/17/1947), Sales Manager

Prior to joining Smith Shellnut Wilson in 2009, Alan served in the financial services industry for more than 35 years. His investment career began with SouthTrust Bank in fixed income sales, working with banks and individuals, and then as Money Desk Manager. He later worked in trading and management positions with Morgan Keegan and First Tennessee Bank's First Securities Company in Mobile division. He then joined Deposit Guaranty National Bank as Senior Vice President and Manager of the Bond Department. In 1995, he was named President of Deposit Guaranty Investments, Inc. After Deposit Guaranty was acquired, Alan moved to BancorpSouth as President of BancorpSouth Investment Services, Inc., where he built its full service brokerage unit from inception to a six-state, 22-office organization. Alan is a graduate of the University of Alabama and holds an M.B.A. from the University of Alabama - Birmingham.

PRIVACY POLICY

As a provider of financial services, Smith Shellnut Wilson (Smith Shellnut) is required by law to inform their clients of its policy regarding privacy of client information. Smith Shellnut has been and will continue to be bound by professional standards of confidentiality that are even more stringent than those required by law. Therefore, we have always protected your right to privacy.

Types of Nonpublic Personal Information We Collect

We collect nonpublic personal information about you that is provided to us by you or obtained by us with your authorization. Smith Shellnut may collect nonpublic personal information about you from the following sources:

- Information Smith Shellnut receives from you on applications or other forms, and
- Information about your securities transactions with Smith Shellnut or other advisors and broker-dealers which may be providing financial services to you.

Parties to Whom We Disclose Information

For current and former clients, we do not disclose any nonpublic information obtained in the course of our practice to unaffiliated third parties except as required or permitted by law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know that information to assist us in providing services to you, such as clearing firms that serve or may serve as the custodian of your account, or that may effect securities transactions on your behalf, or insurance companies. Such disclosure is only made to fulfill our duties to you in fully servicing your account. Under no circumstances do we sell your name or other information to anyone. In all situations, we stress the confidential nature of information being shared.

Protecting the Confidentiality and Security of Current and Former Clients' Information

We retain records relating to professional services that we provide so that we are better able to assist you with your professional needs and, in some cases, to comply with professional guidelines. Smith Shellnut restricts access to your personal and account information to those employees who need to know that information to provide products or services to you. In order to guard your nonpublic personal information, we maintain physical, electronic and procedural safeguards that comply with our professional standards. Our record retention complies with legal statutes.

Please call if you have any questions, because your privacy, our professional ethics, and the ability to provide you with quality financial services are very important to us.

ANNUAL DELIVERY, OR OFFER, REQUIREMENT

Rule 204-3(c) of the Investment Advisors Act of 1940 requires Smith Shellnut Wilson annually, without charge, to deliver or offer in writing to deliver, a copy of its written disclosure statement. Anyone desiring to receive a copy of said statement should make that request known in writing to 150 Fountains Blvd. Suite A, Madison, MS 39110 or contact Frank W. Smith, Jr., Chief Compliance Officer, at 1-800-700-1776.