

## Item 1 – Cover Page

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This Form ADV Part 2A is the CAPTRUST Wealth Client Brochure (“Brochure”), the disclosure brochure for wealth clients and other non-retirement plan clients utilizing CAPTRUST investment advisory and portfolio management services. The Brochure provides information about the qualifications and business practices of CAPTRUST Financial Advisors. In compliance with recent regulatory requirements, we are obligated to provide a clearly written, meaningful, current disclosure of our business practices, conflicts of interest and the background of our Financial Advisors.

If you have any questions about the contents of this Brochure, please contact us at (919) 870-6822 or toll-free at (800) 216-0645, or you may reach the Compliance Department by email at [compliance@captrust.com](mailto:compliance@captrust.com).

CAPTRUST Financial Advisors is an investment adviser registered under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an adviser.

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.

Additional information about CAPTRUST Financial Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

(Please see our Privacy Policy on page 26)

## Item 2 – Summary of Material Changes

This CAPTRUST Wealth Client Brochure (Form ADV Part 2A disclosure brochure) amends, replaces/restates the CAPTRUST Non-Wrap Disclosure Brochure. Additionally, Appendix 1 to Part 2A – “CAPTRUST Wrap Fee Programs Brochure” replaces both CAPTRUST PMA Wrap and SMA Wrap Disclosure brochures that are now retired. This Summary of Material Changes includes material changes to the aforementioned brochures since the last update for each: CAPTRUST Non-wrap Disclosure Brochure (updated most recently on Oct 27, 2020) and the two CAPTRUST Wrap-Fee Disclosure Brochures last dated April 10, 2020.

Item 4: “Advisory Business”, in the Introduction, we changed the disclosure regarding indirect ownership to state that CapFinancial Holdings, Inc. (a North Carolina corporation) owns approximately 45% of The CapFinancial Group, LLC. Secondly, we have updated the total amount of discretionary and nondiscretionary client assets under management. As of December 31, 2020, CAPTRUST’s Form ADV discloses \$450,010,400,000 in total assets under management. This includes \$20,107,700,000 in wealth client assets under management, the majority of which are managed on a discretionary basis. This total also includes slightly over \$390,232,465,000 nondiscretionary institutional assets under advisement, primarily comprised of ERISA qualified retirement plans where CAPTRUST acts as a 3(21) fiduciary, and just above \$39,670,000,000 in discretionary institutional assets under advisement, comprised of qualified retirement assets where CAPTRUST acts as an ERISA 3(38) investment manager, and other institutional client assets such as endowments & foundations and nonqualified plans.

Item 5: “Fees and Compensation” we added clarification regarding broker/dealer platforms utilized to manage accounts: “CAPTRUST is independently owned and operated and not affiliated with any *custodial* broker/dealer. CAPTRUST Clients choose the brokerage platform to hold their investment account(s). CAPTRUST has prime broker and/or brokerage custody agreements with Charles Schwab & Co., Inc. (“Schwab”); Pershing Advisor Solutions, LLC through Pershing, LLC (“Pershing”); Fidelity Investments through Fidelity Brokerage Services, LLC/National Financial, LLC (“Fidelity”); and TD Ameritrade Institutional, through TD Ameritrade, Inc. (“TDA”) to provide execution, brokerage and custodial account services to CAPTRUST clients. In general, CAPTRUST Clients utilize Pershing, Fidelity, Schwab, or TDA for custodial and execution services (“Custodians”). Custodians are FINRA registered Broker-Dealers.

Some Clients choose to use custodians other than Pershing, Fidelity, Schwab or TDA (such as trust companies). In those cases, CAPTRUST works with the Client’s chosen custodian to manage the Client’s investments.

Custodial and execution fees charged by Custodians vary so that Clients may pay more or less for similar services than clients who choose to a different Custodian.

Historically, Clients using CAPTRUST sponsored Wrap Programs (PMA & SMA) were required to use Pershing, since Pershing provided the managed account platform for those CAPTRUST’s Wrap Programs.

However, CAPTRUST’s Wrap Programs were expanded to include CAPTRUST “FFA” accounts (formerly Fountain Financial Associates Wrap-Fee advisory services accounts custodied by Fidelity) and Wealth Advisory Services

“WAS” (to accommodate clients of Pacific Investment Group who have established “Wrap-fee” accounts at Schwab). Please review disclosures detailed in Appendix 1.

Item 8: We updated the description of our investment strategies to read: “CAPTRUST utilizes both a risk-based and outcomes-based approach to asset allocation. The following asset classes: US Equities, International Equities, Fixed Income, Strategic Opportunities, Commodities and Real Estate are allocated amongst a series of models. Our outcomes-based models consist of our Discretionary Consulting Portfolios (“DCP”): Capital Preservation & Income and our Wealth Managed Account Portfolios (“MAP”): All Fixed Income, Low Volatility Alternatives, and All Equity.

Our risk-based models consist of our Wealth Managed Account Portfolios (“MAP”): Income, Conservative, Balanced, Moderate and Growth. Within each model, CAPTRUST has Low Volatility Alternatives, Tax-sensitive and ETF strategies. CAPTRUST also manages models using individual securities: Equity Income Strategy & Ultra Dividend Strategy.

Item 10: “Other Financial Industry Activities and Affiliations” was amended to include the following announcements:

In the first quarter of 2020, The CapFinancial Group, LLC (CAPTRUST’s parent company) acquired the assets of Fountain Financial Associates (CRD#174760), located Wilmington, North Carolina and Welch Hornsby Investment Advisors (CRD#104664), located in both Birmingham and Montgomery, Alabama. In the second quarter of 2020, the assets of Lakeside Wealth Management (CRD#140271), based in Chesterton, Indiana were acquired. In the third quarter of 2020, the assets of Plante Moran Financial Advisors (CRD#112158) were acquired.

In the fourth quarter of 2020, the assets of MRA Associates USA LLC (“MRA”) (CRD#152734) were acquired. MRA, directly and through its affiliate, MRA GP, LLC (“GP”) served as investment manager and general partner or manager to a series of private funds, namely, MR Investment Fund 1 LLC, MRA Opportunities Fund 1-A, MRA Opportunities Fund 1-B, MRA Credit Strategies Fund 1-A Fund LP and MRA Credit Strategies Fund 1-B Fund LP (collectively, the “Funds”). All the Funds referenced are closed to new investors. As part of the transaction with MRA, CAPTRUST was appointed as Investment Advisor to the Funds and following the consent process in the Funds’ agreements, anticipates that it will be assigned all of the interest in GP. The assets of Shine Wealth Partners (CRD#140271) based in Lone Tree, Colorado were also acquired.

Finally, syntax, formatting and typographical errors have been corrected throughout.

A full copy of our Brochure may be requested by email at [compliance@captrust.com](mailto:compliance@captrust.com) or by contacting us toll-free at (800)216-0645. Additional information about CAPTRUST Financial Advisors is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website provides information about any persons affiliated with CAPTRUST Financial Advisors who are registered, or are required to be registered, as investment adviser representatives of CAPTRUST Financial Advisors.

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## Item 4 – Advisory Business

### Introduction

CAPTRUST Financial Advisors, also known as CapFinancial Partners, LLC, (“CAPTRUST” or “Adviser”) was established in April 2003 and approved as a Registered Investment Adviser in September 2003. The CapFinancial Group, LLC (a North Carolina limited liability company) owns just under 100% of CAPTRUST. CapFinancial Holdings, Inc. (a North Carolina corporation) owns approximately 45% of The CapFinancial Group, LLC and Mr. James Fielding Miller, the CEO of CAPTRUST, owns roughly 40% of CapFinancial Holdings, Inc. CapFinancial Holdings, Inc. is owned by CAPTRUST employees.

CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940. CAPTRUST provides investment advisory services to wealth management clients such as individuals, trusts, estates and charitable organizations, foundations, endowments, corporations or other businesses not listed above collectively referred to herein as “Client” or “Wealth Client.” CAPTRUST renders continuous and regular investment supervisory services to Wealth Clients.

CAPTRUST also provides retirement plan advisory services to pension, profit sharing plans and other qualified Plans (“Plan Clients”) which are disclosed separately (see [CAPTRUST Institutional Disclosure Brochure](#)).

As of December 31, 2020, CAPTRUST’s Form ADV discloses \$450,010,400,000 in total assets under management. This includes \$20,107,700,000 in wealth client assets under management, the majority of which are managed on a discretionary basis. This total also includes slightly over \$390,232,465,000 in nondiscretionary institutional assets under advisement, primarily comprised of ERISA qualified retirement plans where CAPTRUST acts as a 3(21) fiduciary, and just above \$39,670,000,000 in discretionary institutional assets under advisement, comprised of qualified retirement assets where CAPTRUST acts as an ERISA 3(38) investment manager, and other institutional client assets such as endowments & foundations and nonqualified plans.

CAPTRUST will require each Client to make a selection of services in writing as part of the Investment Advisory Agreement (**referred to as “Agreement” or “Agreements”**), which sets forth the rights and obligations of CAPTRUST and the Client. The Agreements are customized to state the quoted or negotiated fee.

### **CAPTRUST offers the following service(s) to the Client:**

#### **Investment Advisory Services**

- Establishment of Investment Objectives and Guidelines
- Asset Allocation Analysis
- Investment Manager Selection /Mutual Fund Evaluation
- Ongoing Investment Manager/Mutual Fund Due Diligence
- Ongoing Quarterly Performance Measurement

**Financial and Estate Planning Services**

- Financial Plan and Analysis
- Estate Planning Review with Legal and/or Tax Advisor
- Tax Review with Legal and/or Tax Advisor
- Insurance Review
- Charitable Gifting Strategies with Legal and/or Tax Advisor

**Investment Supervisory Services**

Adviser may provide investment supervisory services on a discretionary or non-discretionary basis and may include the following:

- Adviser may design, revise, and reallocate a Client's custom portfolio. Investments are determined based upon the Client's investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.
- Adviser may manage the Client's custom accounts on an individualized basis. Restrictions and guidelines imposed by Clients may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and Clients should not expect that the performance of their custom portfolios will be identical to any other individual's portfolio performance).
- Adviser may utilize services of sub-advisers and established third party research services to assist Adviser with formulating asset allocation, industry and sector selection, and individual security investment recommendations in constructing and maintaining custom portfolios.
- Adviser's Clients enter into a fee-based Agreement. Advisory fees stated in CAPTRUST's fee-based Agreements may or may not include the cost of transactions/trade executions depending upon the type of account the client chooses and whether the fee is negotiated on "wrap-fee" or "non-wrap-fee" basis. Advisory Fees may be higher or lower than obtainable elsewhere.

**Wrap Fee Accounts.** CAPTRUST sponsors wrap fee program services (see Appendix 1 "CAPTRUST Wrap Fee Programs Brochure" for a complete description of the wrap fee programs offered through CAPTRUST). Wrap fee programs are designed to assist clients, both individuals and institutions (such as corporations and other business entities, trusts, estates, and charitable organizations), to identify their investment needs and to obtain professional asset management for a convenient single "wrap" fee that includes both the cost of transactions/executions and investment advisory fees. An investor should consider all the information within the CAPTRUST Wrap Fee Programs Brochure before participating in a wrap fee program. The information in the CAPTRUST Wrap Fee Programs Brochure has not been approved or verified by any governmental authority.



**Separately Managed Accounts.** (“SMA”) CAPTRUST sponsors an SMA “Wrap-Fee” Program which is disclosed in Appendix 1 (“CAPTRUST Wrap Fee Programs Brochure”) to the CAPTRUST Wealth Client Brochure – ADV Part 2A. CAPTRUST sponsored SMA Wrap-Fee Program accounts are held at Pershing, LLC.

We also participate in Schwab Managed Account Programs such as Schwab’s Managed Account Select and Managed Account Access (both Schwab sponsored “Wrap-Fee” programs), which are available to CAPTRUST Clients who have their accounts at Schwab.

Some Clients with their accounts at Schwab have accessed SMA managers through Schwab’s Managed Account Marketplace (which is not a wrap-fee program).

These Schwab programs allow access to independent money management firms offered by the Schwab Advisor Services division of Charles Schwab & Co. Inc. (“Schwab”). CAPTRUST performs management searches of various investment managers. Based on the client's individual circumstances and we determine which SMA manager's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the objectives of each client and the investment philosophy of the selected manager. Clients should refer to the SMA manager's Disclosure Brochure or other disclosure documents for a full description of the services offered. We will furnish a copy of the disclosure brochures for each manager recommended. We may recommend one or more managers to manage the client's account on a discretionary basis. On an ongoing basis, we monitor the performance of the manager(s).

With the exception of CAPTRUST’s SMA Wrap Program, CAPTRUST’s fee is independent of the fee charged by managers for the management of separate accounts. Fees associated with SMA Program Managers vary and are separately disclosed in each manager’s disclosure brochure and depending on the SMA program chosen by the client, may or may not include the cost of execution. CAPTRUST will make its recommendations in the best interest of the Client, taking into account the Client’s preferences. Depending on the service utilized, program fees for the SMA services may be up to 3.00%.

For Clients who have chosen one of Schwab’s Managed Account Services Wrap-Fee Program(s), CAPTRUST will deliver Schwab’s Brochure which explains how Schwab calculates their SMA program fees. Schwab multiplies the actual daily balance of your account by the daily pro rata portion of the annual rate and then adds together the fees for each day of the month. The program fee is billed to the Client’s account monthly, which may result in Clients paying a higher fee on an annual basis than the annual rate due to the effects of compounding.

CAPTRUST advisory fees are typically charged quarterly in advance based on the value of your account on the last day of the previous quarter. When additional assets are received into an Account during a quarter or if assets are withdrawn during a quarter, a fee adjustment will be made to the following quarter’s fee calculation and will be reflected upon the client statement.

Schwab’s Managed Account Select and Managed Account Access provide access to money managers across various



investment styles. Schwab's fees for these programs are bundled as a single, all-inclusive fee, which is in addition to the fee charged by CAPTRUST.

In general, access to managers in Schwab's programs is available at the following account levels: \$100,000 for Stock/Equity Managers and \$250,000 for Bond/Fixed Income Managers. Although some money managers may have higher account minimums. Schwab's program fees include the institutional money manager fee, Schwab's program fee and fees for brokerage/clearing/custodial services. Fees may include a minimum monthly fee, please see related program documents for a complete description of specific fees.

Some Clients choose Schwab's Managed Account Marketplace which affords access to SMA managers Clients can engage directly. Managed accounts established under the Schwab Marketplace are charged separately by Schwab for brokerage and custody services and by the SMA manager under the SMA manager's advisory agreement.

#### **Subadvisory Agreements.**

Occasionally, CAPTRUST establishes a "subadvisory agreement" with an SMA manager who may or may not participate in one or more of the programs described in this section. Under this type of arrangement, CAPTRUST's fee can be quoted to include or exclude the subadvisor's fee. In this way, Clients can decide whether to permit the subadvisor to charge their fee directly to the Client's account or to have CAPTRUST combine their fee to include the subadvisor's fee. Either way, the advisory agreement governing the relationship should clearly describe the method by which advisory fees will be charged and paid and whether the quoted fee includes both CAPTRUST's fee and subadvisory fees.

**Other Investment Advisory Services.** Adviser may provide investment advisory services that do not involve investment supervisory services on a discretionary or non-discretionary basis. In order to determine a suitable course of action for an individual Client, Adviser shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the Client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the Client's particular circumstances.

**Consultations.** Adviser may furnish investment advice through individual consultations. To the extent it is requested to do so, Adviser may provide its Clients with investment advisory and consultation services on a "fee for service" basis. In order to determine a suitable course of action for an individual Client, Adviser shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the Client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the Client's particular circumstances.

Adviser will obtain pertinent information from the Client verbally or by way of any current information gathering documents approved for use by Adviser or other documents and data provided by Client. This information gathered will assist Adviser in determining the most appropriate course of action for its Client's financial and investment activity.

Adviser may offer advice on private placements and/or limited partnerships that may be considered “alternative investments,” for example limited partnerships that are known as a “fund of funds” (typically a fund of “hedge” funds). Adviser may also offer advice on private equity funds that contain investments in equities, futures, options, and other securities. Any such recommendation will be made only when determined to be suitable and must be accompanied by or preceded by prospectus or offering memorandum.

## **Item 5 – Fees and Compensation**

In General, fees charged for investment advisory services are payable quarterly, in advance, and are based upon the market value of the Client’s assets on the last business day of the calendar quarter. When additional assets are received into an Account during a quarter or if assets are withdrawn during a quarter, a fee adjustment will be made to the following quarter’s fee calculation and will be reflected upon the client statement. Fees are generally deducted from the Client’s account(s) or may be direct billed to the Client or to a third- party custodian at the Client’s instruction.

The Agreement will continue in effect until terminated by either party upon thirty (30) days written notice to the other party. However, if the Client has not received the CAPTRUST Wealth Client Disclosure Brochure, Form ADV Part 2A, at least 48 hours prior to entering into the Agreement, the Client may terminate the agreement within five business days of entering into the agreement without penalty.

If any advisory relationship terminates before the last day of a quarter, fees are prorated accordingly, and the Adviser will refund any unearned fees due to the Client.

Fees, minimum accounts sizes and services are negotiable and may be waived under certain circumstances. For example, Adviser, in its sole discretion, may charge a lesser (or no) advisory fee based upon certain criteria (e.g., existing financial planning client relationship, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with Client, etc.).

In general, the only time an investment advisory representative may be compensated in connection to a transaction (i.e., by commission) would be when appointed by the client as “broker or agent of record” for a non-advisory account set up through CapFinancial Securities, LLC (“CFS”), our affiliated broker dealer. In that case, CFS may be compensated by general promotion, advertising, and distribution fees (such as 12b-1 fees) or commission/placement fees in relation to purchases and sales of securities in *non-advisory* accounts.

Adviser's fees for these services are negotiable depending on the specific type of investment management services to be rendered (as detailed in the *Agreement*), but generally will be calculated as a percentage of total assets under management according to the following schedule:

<b>Gross Market Value</b>	<b>Maximum Annual Fee</b>
0-\$500,000	2.25%
\$500,001 – \$1,000,000	2.00%
\$1,000,001 – \$2,000,000	1.75%
\$2,000,001 - \$5,000,000	1.25%
Over \$5,000,001	1.00%

\*For Clients who do not elect a “wrap-fee” account, CAPTRUST’s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the Client. Clients who elect to use CAPTRUST wrap fee account should refer to the supplemental brochure (Appendix 1A CAPTRUST Wrap Fee Programs Brochure) describing those types of fees.

Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees, which are disclosed in a fund’s prospectus. These charges and fees are exclusive of and in addition to CAPTRUST’s fee.

CAPTRUST is independently owned and operated and not affiliated with any *custodial* broker/dealer. CAPTRUST Clients choose the brokerage platform to hold their investment account(s). CAPTRUST has prime broker and/or brokerage custody agreements with Charles Schwab & Co., Inc. (“Schwab”); Pershing Advisor Solutions, LLC through Pershing, LLC (“Pershing”); Fidelity Investments through Fidelity Brokerage Services, LLC/National Financial, LLC (“Fidelity”); and TD Ameritrade Institutional, through TD Ameritrade, Inc. (“TDA”) to provide execution, brokerage and custodial account services to CAPTRUST clients. In general, CAPTRUST Clients utilize Pershing, Fidelity, Schwab, or TDA for custodial and execution services (“Custodians”). Custodians are FINRA registered Broker-Dealers.

Some Clients choose to use custodians other than Pershing, Fidelity, Schwab or TDA (such as trust companies), in those cases, CAPTRUST works with the Client’s chosen custodian to manage the Client’s investments.

Custodial and execution fees charged by Custodians vary so that Clients may pay more or less for similar services than clients who choose to a different Custodian.

Historically, Clients using CAPTRUST sponsored Wrap Programs (PMA & SMA) were required to use Pershing, since Pershing provided the managed account platform for those CAPTRUST’s Wrap Programs.

However, CAPTRUST's Wrap Programs were expanded to include CAPTRUST "FFA" accounts (formerly Fountain Financial Associates Wrap-Fee advisory services accounts custodied by Fidelity) and Wealth Advisory Services "WAS" (to accommodate clients of Pacific Investment Consultants who have established "Wrap-fee" accounts at Schwab). Please review disclosures detailed in Appendix 1.

Adviser may recommend Wealth Clients invest in [hedge] fund(s)-of-funds. Fund(s)-of-funds typically carry additional fees over and above the fees discussed in this section. Since hedge fund managers typically charge performance fees (over and above their management fee) and because hedge fund(s)-of-funds are comprised of allocations to many hedge fund managers, each manager charges its own management fee and many also charge performance fees which creates a layering effect. Consequently, CAPTRUST Wealth Clients should be aware of these unusual (additional) costs associated with investing in fund(s)-of-funds. Each fund-of-fund discloses its own fee structure in the prospectus for that fund. In general, CAPTRUST does not receive any portion of these charges, fees and costs, however, please refer to Item 6 (below) for a more information on the limited cases when CAPTRUST participates in performance fees.

Generally, CAPTRUST purchases institutional class or no-load mutual funds in Investment Portfolios which do not generate sales charges. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from Fund assets, therefore, indirectly from client assets. Your custodian may be compensated by general promotion, advertising, and distribution fees (12b-1 fees) in relation to Client purchases and sales of mutual fund shares in a managed account, but CAPTRUST does not participate in those 12b-1 fees.

CAPTRUST may give advice to others that may be different from the advice given to other CAPTRUST Clients. Clients should consider the value of the additional consulting services when making such comparisons. Some combinations of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees.

All fees may be subject to negotiation. When negotiating fees, factors considered, but not limited to, include: (i) clients with multiple accounts; (ii) size of the account; (iii) a prior or existing relationship; and (iv) a client's particular needs or financial characteristics. Due to the fact that fees may vary, clients with existing accounts may be charged fees not precisely matching the foregoing fee schedules or the fees paid by other clients.

Other costs that may be assessed that are not part of those outlined above include fees for portfolio transactions executed away from the broker/custodian selected by the client, dealer mark-ups, electronic fund and wire transfers, spreads paid to market-makers, and exchange fees, among others. Broker/custodian may charge Client certain additional and/or minimum fees.

**Fixed Fee Service.** Some Clients engage CAPTRUST to provide investment advisory and consultation services for a fixed or flat fee. Fixed fees are negotiable, but generally range from \$10,000.00 to \$250,000.00 on an annual basis, depending upon the level and scope of the services required. Adviser's fixed rate is determined based on anticipated work to be done. Fixed fee(s) will be charged quarterly in advance, (calculated on a per diem basis) upon the signing of an Agreement by the Client. Fees for Clients engaging Adviser mid-quarter will be prorated on a per diem basis.

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

CAPTRUST 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). However, in connection with the 2018 FCE Group acquisition, the principals and founders of FCE Group joined CAPTRUST and the clients of FCE Group consented to the assignment of their advisory agreements to CAPTRUST. CAPTRUST entered into subadvisory agreements with FCCI, Consulting, LLC, the investment adviser to three private limited partnerships, in order for the two principal portfolio managers to continue to manage the assets in the three funds (collectively referred to herein as the “Excelsior Funds”). Since the management fee structure of the Excelsior Funds includes performance-based fees and since CAPTRUST receives 50% of the management fees as compensation for subadvisory services, under these limited conditions, CAPTRUST may participate in a performance-based fee. However, the assets in those funds represent less than 0.039% of all client assets and less than 1% of Wealth Client assets under advisement.

## **Item 7 – Types of Clients**

CAPTRUST provides investment advisory services to wealth management clients such as individuals, trust, estates and charitable organizations, foundations, endowments, corporations or other businesses not listed here.

CAPTRUST also provides advisory services to retirement plans including, 401K plans, 403B plans, pensions and profit-sharing plans, non-qualified plans, foundations, endowments, corporations (or other institutional clients or businesses not listed above) on a continuous and regular basis, but those services are disclosed separately in CAPTRUST’s Institutional [Retirement Plan Services] Disclosure Brochure.

In general, Adviser maintains a minimum account size requirement for its wealth Clients of \$50,000 to initially establish an account. The value of this account is subject to fluctuation, and therefore there is not a minimum maintenance requirement. Adviser retains the right to waive minimum initial account sizes should Adviser feel it is necessary and appropriate.

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

Our investment strategy begins with an understanding of a Client’s financial goals. Adviser uses demographic and financial information provided by the Client to assess the client’s risk profile and investment objectives in determining an appropriate plan for the client’s assets. Investment strategies generally include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities and may include margin transactions, and options strategies.

**Investment strategies** - CAPTRUST utilizes both a risk-based and outcomes-based approach to asset allocation. The following asset classes: US Equities, International Equities, Fixed Income, Strategic Opportunities, Commodities and Real Estate are allocated amongst a series of models. Our outcomes-based models consist of our Discretionary

Consulting Portfolios (“DCP”): Capital Preservation & Income and our Wealth Managed Account Portfolios (“MAP”): All Fixed Income, Low Volatility Alternatives, and All Equity.

Our risk-based models consist of our Wealth Managed Account Portfolios (“MAP”): Income, Conservative, Balanced, Moderate and Growth. Within each model, CAPTRUST has Low Volatility Alternatives, Tax-sensitive and ETF strategies. CAPTRUST also manages models using individual securities: Equity Income Strategy & Ultra Dividend Strategy.

Investment Portfolios where the CAPTRUST Investment Committee acts as Portfolio Manager may be allocated to one or more of these strategies using the asset allocated models described here. Investment recommendations are based on an analysis of the Client’s individual needs and are drawn from research and analysis. However, in general, security analysis methods include fundamental analysis as well as quantitative and qualitative research on a given investment vehicle. Information for this analysis may be drawn from financial newspapers, magazines and databases, research materials prepared by others, annual reports, corporate filings and prospectuses. Additional sources of information utilized by CAPTRUST include meetings and discussions with investment managers employed by investment companies, statistical summaries and analysis and such other sources CAPTRUST deems appropriate. CAPTRUST may utilize services of sub-advisers and established third party research services to assist CAPTRUST with formulating asset allocation, industry and sector selection, and investment recommendations in managing the Client’s funds. Technical analysis may be used when analyzing indices and/or securities other than open-ended mutual funds.

It is important to note that investing in securities involves certain risks that are borne by the investor. For risks associated with investment company (mutual fund) products Clients should refer to fund prospectuses. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.



- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Some funds, such as interval funds, utilized in strategies employed by CAPTRUST carry liquidity risk. In some circumstances, clients have had to wait several quarters when requesting liquidity from the manager of interval funds in CAPTRUST asset allocated model strategies.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Concentration Risk:** Concentration Risk: The probability of loss due to heavy exposure to a single investment, equity or issuer. Some funds utilized in model strategies employed by CAPTRUST, carry a kind of concentration risk since Clients may own more than one fund managed by the same issuer; or Clients may be invested in several funds with similar strategies which poses a type of concentration risk. Another form of "concentration risk" occurs when one group of Clients comprise a large portion of a mutual fund's total asset base, those investors experience an additional risk (over and above the risks associated with the investment's strategy) due directly to the "concentration" of their assets in that fund. CAPTRUST strategies may involve some or all of the types of concentration risk described here.
- **Other risks:** Our recommended strategies include these risks (listed above) as well as other risks that are more specifically associated with managers, strategies, funds or instruments we select or recommend. For example, some recommended managers use derivatives (such as options as a hedge) which pose special risks; others carry liquidity risk specific to underlying investments; additionally, some of our asset allocated model strategies have a particular concentration risk since we may allocate a large portion of a portfolio to a single manager, or a fund complex. Some portfolios include alternative (or uncommon) investment strategies; or allocations to funds with limited or no prior history of operations. Each recommended manager discloses risks associated with investing in their fund(s) separately (in their respective brochures and/or prospectuses).



Although we acknowledge that Clients are relying on CAPTRUST to manage portfolio risk, Clients are encouraged to read prospectuses and ask questions of our financial advisors, portfolio managers or compliance team members. Please contact us at (919) 870-6822 or send a message to [compliance@captrust.com](mailto:compliance@captrust.com).

## **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 a client or prospective client's evaluation of CAPTRUST or the integrity of CAPTRUST's management. Neither CAPTRUST management, nor members of CAPTRUST's Investment Committee have any reportable disciplinary history for this Item. Each Financial Advisor who acts as a Portfolio Manager has a separate Form ADV Part 2B. Please refer to your Financial Advisor's Form ADV Part 2B for personal disciplinary information for that FA.

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

CAPTRUST is affiliated by common ownership to CapFinancial Securities, LLC (CFS"), a FINRA broker-dealer (Member SIPC). CAPTRUST does not manage any proprietary mutual funds.

One division of CAPTRUST called "Strategic Advisor Group", along with several CAPTRUST Financial Advisors are life insurance licensed in order to act as agent of record for those Clients who own life insurance products or retirement plans funded with group variable products. Financial Advisors at CAPTRUST may occasionally recommend fixed or variable annuities or life insurance to their Wealth Clients when assisting them in executing their financial plan. CFS and CAPTRUST have business entity insurance licenses. Strategic Advisor Group's primary source of revenue is life insurance commissions not involving CAPTRUST qualified retirement plan clients.

CFS, as an affiliated registered broker-dealer, offers individual (Wealth Clients) and institutional (Plan Clients) general securities investment services. The Investment Adviser Representatives with Adviser are simultaneously registered as CFS Registered Representatives. A Financial Advisor generally spends less than 10% of his/her time on work done for Clients focused on activities consistent with the definition of broker/dealer activities.

As a result of certain investment related recommendations provided to its Clients, CFS may facilitate certain securities purchases and/or sales, or insurance product purchases and/or sales on behalf of CAPTRUST Clients. Such transactions may be facilitated by CFS, in its capacity as a registered broker/dealer or insurance agent/agency (business entity). Commissions charged by CFS (the broker/dealer) may be higher or lower than obtainable elsewhere. All related compensation is separate from advisory services. In general, product revenue associated with Plan Client assets is captured to reduce the plan advisory fee pursuant to the terms of the Retirement Plan Advisory Services Agreement.

Freedom One Retirement Services, LLC ("FORS") is also affiliated with CAPTRUST by common ownership. CAPTRUST acts as a discretionary ERISA 3(38) investment manager for Plan Clients for whom recordkeeping

services are provided FORS (“Freedom401k Clients”). Freedom401k Clients may be paying more or less for recordkeeping services than other Plan Clients utilizing unaffiliated record keepers.

Pensionmark Financial Group, LLC (“PFG”) is affiliated with CAPTRUST by common ownership. Some associated persons of PFG are also registered as Investment Advisory Representatives of CAPTRUST and/or registered representatives of CFS. PFG owns Pensionmark Securities, LLC (Member FINRA/SIPC). PFG and CAPTRUST share a physical location and have supervised persons in common.

In the first quarter of 2020, The CapFinancial Group, LLC (CAPTRUST’s parent company) acquired the assets of Fountain Financial Associates (CRD#174760), located Wilmington, North Carolina and Welch Hornsby Investment Advisors (CRD#104664), located in both Birmingham and Montgomery, Alabama.

In the second quarter of 2020, the assets of Lakeside Wealth Management (CRD#140271), based in Chesterton, Indiana were acquired. In the third quarter of 2020, the assets of Plante Moran Financial Advisors (CRD#112158) were acquired.

In the fourth quarter of 2020, the assets of MRA Associates USA LLC (“MRA”) (CRD#152734) were acquired. MRA, directly and through its affiliate, MRA GP, LLC (“GP”) served as investment manager and general partner or manager to a series of private funds, namely, MR Investment Fund 1 LLC, MRA Opportunities Fund 1-A , MRA Opportunities Fund 1-B , MRA Credit Strategies Fund 1-A LP and MRA Credit Strategies Fund 1-B LP (collectively, the “Funds”). All the Funds referenced are closed to new investors. As part of the transaction with MRA, CAPTRUST was appointed as Investment Advisor to the Funds and following the consent process in the Funds’ agreements, anticipates that it will be assigned all of the interest in GP. The assets of Shine Wealth Partners (CRD#140271) based in Lone Tree, Colorado were also acquired.

## **Item 11 – Code of Ethics**

Personal transactions in securities by directors, officers and employees of CAPTRUST who have access to nonpublic information regarding Clients’ purchase and sale of securities, are involved in making securities recommendations to Clients or who have access to such non-public recommendations (“access persons”) are subject to the restrictions and procedures in CAPTRUST’s Code. All supervised persons at CAPTRUST must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code addresses, among other things, the following: (i) general principles that address CAPTRUST’s fiduciary obligations to its Clients, (ii) personal securities trading procedures restricting the purchase and sale, by access persons for their own accounts, of specific securities; (iii) provisions relating to the confidentiality of Client information; (iv) a prohibition on insider trading; and (v) restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment.

Occasionally, access persons of Adviser may recommend that Clients buy or sell the same securities or investment products that access persons of the Adviser also own. In such circumstances, Adviser shall give precedence to Client transactions. CAPTRUST's employees and persons associated with CAPTRUST are required to follow the Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CAPTRUST 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 materially interfere with the best interest of CAPTRUST's Clients. In addition, the Code requires pre-approval of specific types of transactions, and restricts trading in close proximity to client trading activity. 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. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between CAPTRUST and its Clients.

CAPTRUST's Clients or prospective clients may request a copy of the Adviser's Code of Ethics by contacting the Compliance Department at (919) 870-6822 or (800) 967-9948 or by email at [compliance@captrust.com](mailto:compliance@captrust.com).

## **Item 12 – Brokerage Practices**

Some CAPTRUST Financial Advisors (Investment Adviser Representatives) also effect securities transactions for Clients as registered representatives of a broker/dealer (see Item 10). Further, Adviser or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. All FINRA, SEC, and other regulatory agencies disclosure requirements and policies are observed for all transactions.

Clients who have chosen a CAPTRUST wrap-fee arrangement when utilizing a brokerage platform should review ADV Part 2A Appendix 1A for complete description of wrap fee programs sponsored by CAPTRUST (please [click here to access the CAPTRUST Wrap Fee Programs disclosure](#)).

CAPTRUST uses risk-based and outcomes-based approaches to portfolio management. Regardless of whether a Client is in a "wrap" or a "non-wrap" account, when executing trade orders within a risk-based strategy described in Item 8, the trades for accounts held at each of the four Custodians are blocked together if the objectives/instructions for the order are similar.

**Block Trades:** CAPTRUST may, in its discretion, "bunch" orders being placed for execution at the same time for the accounts of two or more clients, which may include accounts in which CAPTRUST's affiliates and employees may have an ownership interest, where it believes such aggregation is appropriate and in the best interest of its Clients. This practice may enable CAPTRUST to seek more favorable executions and net prices for the combined order.

However, CAPTRUST is not obligated to bunch or aggregate orders or to include any particular account in a bunched order if portfolio management decisions for such accounts are made separately or if CAPTRUST determines that aggregating trades would be inconsistent with the Adviser's investment management duties or with any investment objectives, guidelines, special requests, or restrictions applicable to a particular account.

All orders placed for execution on an aggregated basis ("block" trades) are subject to CAPTRUST's Trade Allocation Procedures ("Procedures"). Under the Procedures, CAPTRUST will bunch orders where appropriate for the participating Clients and when consistent with CAPTRUST's duty to seek best execution. Prior to or contemporaneous with the entry of an aggregated order, a written pre-allocation and/or other written statement will be generated, which identifies the Client accounts or trading group(s) of Client accounts participating in the bunched order, the proposed allocation of the order, upon completion, to the relevant Client accounts or trading group(s) and the amount (either in dollars, number of shares, or % of market value of Client account(s)) that the portfolio manager will accept for each Client account or trading group of Client accounts. Prevailing trading activity frequently may make it impossible to receive the same price or execution on the entire volume of securities purchased or sold. When CAPTRUST cannot fill all orders in a block trade at the same price, each account that participates in the block order will receive the average price for all the transactions in the block executed on a particular day. Thus, the effect of the aggregation may operate in some circumstances to a particular Client's disadvantage. When a bunched order is partially filled, the securities actually purchased or sold by the close of each business day will be allocated in a manner that is consistent with the initial pre-allocation statement and that does not consistently advantage or disadvantage particular Clients or groups of Client accounts, as determined by CAPTRUST from time to time. However, adjustments to the allocation may be made to avoid *de minimis* allocations to Client accounts or to avoid deviations from pre-determined holding limits established for any account. CAPTRUST will retain records of the trade order (specifying each participating account) and its allocation.

In addition, although CAPTRUST generally attempts to block trades for Client accounts, aggregation may not be possible because of that Client's specific brokerage arrangements or other factors. As previously mentioned, CAPTRUST PMA & SMA Wrap Fee accounts must use Pershing, some Clients may select Schwab, Fidelity, TDA, or, upon occasion, other financial institutions to act as custodian and broker/dealer for their accounts. As such, when the Investment Committee, a Portfolio Manager, or Investment Strategist implements a portfolio decision or strategy ahead of or contemporaneously with, similar portfolio decisions or strategies of another Client, market impact, liquidity constraints or other factors could result in one or more Clients receiving less favorable trading results, the costs of implementing such portfolio decisions or strategies could be increased or such Clients could otherwise be disadvantaged. On the other hand, potential conflicts may also arise because portfolio decisions regarding a Client or group of Clients may benefit other Clients. There can be no assurance that any actual or potential conflicts of interest will not result in a particular Client or group of Clients receiving less favorable investment terms in or returns from certain investments than if such conflicts of interest did not exist. For CAPTRUST Client accounts maintained by the Custodians, Custodians generally do not charge separately for custody services but may be compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the Custodian or that settle in accounts held by the custodian. Custodians also make available to CAPTRUST other products and services that could benefit CAPTRUST but may not benefit all Clients' accounts.

Some of these other products and services assist CAPTRUST in managing and administering Clients' accounts. These may 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 CAPTRUST's fees from its Clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of CAPTRUST's accounts, including accounts not maintained at the Custodian.

Examples of other services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, they may make available, arrange and/or pay for these types of services rendered to CAPTRUST by independent third parties or may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CAPTRUST.

The foregoing arrangements pose a conflict of interest to the extent they create an incentive for CAPTRUST to suggest that Clients maintain their assets in accounts at a Custodian on the basis of products and services that may become available to CAPTRUST as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided by the Custodian to clients. However, CAPTRUST is constrained by fiduciary principles to act in its Clients' best interests and will suggest a Custodian to clients only when it is appropriate to do so. In addition, CAPTRUST maintains an awareness of the services provided to Clients by the Custodians in an effort to ensure that Clients are well served.

Additionally, if a trade error were to occur in a managed account, CAPTRUST may not profit (but may absorb a loss) from the transaction or as a result of making the correction. CAPTRUST has controls in place to limit trade errors.

Some transactions that must be done *by application or subscription agreement* will be facilitated directly with the fund administrator, insurance company, or other legal entity responsible for effecting such transactions. Most of Adviser's business is done on a fee basis. However, an investment advisory representative may be compensated in connection to a transaction (i.e., by commission) when appointed by the client as "broker or agent of record" for a *non-advisory* direct-to-the-fund account set up through CapFinancial Securities, LLC (CFS). In that case, CFS may be compensated by commissions, general promotion, advertising, and distribution fees (such as 12b-1 fees) in relation to purchases and sales commission-based investment products or mutual fund shares in those types of *non-advisory* accounts. However, there are a limited number of Client (non-advisory) accounts that are on a commissioned basis.

CAPTRUST Clients utilize the brokerage platforms provided by Pershing, Fidelity, Schwab or TDA. CAPTRUST does have the ability to negotiate fees or commissions on behalf of Clients, but CAPTRUST does not direct brokerage to a particular venue for execution, but rather relies on Pershing, Schwab, Fidelity or TDA (with the exception of bond trades that may be directed to an executing broker available to CAPTRUST thru the Pershing, Fidelity, Schwab or TDA).

Fees and commissions charged by these brokerage platforms may be higher or lower than obtainable elsewhere. Circumstances occasionally arise when the brokerage platforms must impose a separate or special handling or custodial charge for acting as custodian for an exempt security or private placement that was recommended by CAPTRUST to a CAPTRUST Advisory Client. On a case-by-case basis, CAPTRUST may cover the cost of this type of fee on a “value-added” basis by having the fee directly billed to CAPTRUST rather than the Client or by reimbursing the Client. Finally, CAPTRUST participates in several referral programs offered by the Custodians that benefit CAPTRUST. Please see the detailed disclosure under Item 14 (below).

### **Item 13 – Review of Accounts**

Client Accounts are advised by their financial advisor who is responsible for performing periodic reviews, consulting with their Clients, and staying abreast of changes to their Clients’ goals and objectives. Ongoing reviews of markets, sectors and individual securities are conducted by the Investment Group. Unaffiliated mutual fund holdings and outside Investment Managers are monitored on a continuous and regular basis by the CAPTRUST Investment Group. Kevin Barry, Chief Investment Officer, heads up the Investment Group. ADV Part 2B lists the members of the Investment Group who are also members of the Investment Committee or who are involved in the review process and in determining the investment advice to be given by the Adviser. Denise Buchanan, Chief Compliance Officer, heads up the Compliance Team. Additionally, monthly statements/reports are provided by the custodian of the Clients Assets. Quarterly performance reports are prepared by CAPTRUST for Wealth Client accounts. Clients may access their quarterly performance reports electronically via CAPTRUST’s state-of-the-art client portal developed by technology provider Black Diamond®. For information on how to access your reports, please call your CAPTRUST Financial Advisor at (919)870-6822 or (800)216-0685 or you may email [compliance@captrust.com](mailto:compliance@captrust.com).

CAPTRUST receives a daily download of transaction information from Pershing , Schwab, Fidelity and TDA and has access to Wealth Client accounts through their institutional advisor platform(s). Clients agree to inform CAPTRUST in writing of any material changes to the Client’s investment goals and objectives or financial situation that might affect the manner with which Client’s assets should be invested. Additionally, Clients who wish to impose reasonable restrictions on the management of their accounts may do so by contacting their Financial Advisor at (919)870-6822 or (800)216-0685 or you may email [compliance@captrust.com](mailto:compliance@captrust.com).

Additionally, Clients may contact CAPTRUST during normal business hours to consult with CAPTRUST concerning the management of the Client’s account(s).

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

CAPTRUST, in some instances, may compensate third-party solicitors (or “Solicitor”) for Client referrals. In order for a business entity to be compensated by CAPTRUST for referring a Client to CAPTRUST, the solicitor must be engaged by CAPTRUST under a Solicitor or Referral Agreement (“Agreement”) in compliance with Section 206(4)-3 of the Investment Advisers Act of 1940. In general, a Solicitor is compensated by a percentage of the advisory fee collected for limited period of time specified in the Agreement.



The Client pays no additional fee for the referral over and above CAPTRUST's quoted advisory fee; to the contrary, the fee the Adviser earns is reduced by the amount of the compensation to the Solicitor. A Client who is solicited by a Solicitor will receive the Solicitor's separate Disclosure Statement describing the nature of the arrangement in detail. Clients may request details regarding a particular Agreement by contacting us toll-free at (800)216-0645 or sending an email to [compliance@captrust.com](mailto:compliance@captrust.com).

### **TD AdvisorDirect Program**

CAPTRUST may receive client referrals from TD Ameritrade through its participation in TD Ameritrade AdvisorDirect. In addition to meeting the minimum eligibility criteria for participation in AdvisorDirect, CAPTRUST may have been selected to participate in AdvisorDirect based on the amount and profitability to TD Ameritrade of the assets in, and trades placed for, client accounts maintained with TD Ameritrade. TD Ameritrade is a discount broker-dealer independent of and unaffiliated with CAPTRUST and there is no employee or agency relationship between them. TD Ameritrade has established AdvisorDirect as a means of referring its brokerage customers and other investors seeking fee-based personal investment management services or financial planning services to independent investment advisors. TD Ameritrade does not supervise CAPTRUST and has no responsibility for CAPTRUST's management of client portfolios or CAPTRUST's other advice or services.

CAPTRUST pays TD Ameritrade an on-going fee for each successful client referral. This fee is usually a percentage (not to exceed 25%) of the advisory fee that the client pays to CAPTRUST ("Solicitation Fee"). CAPTRUST will also pay TD Ameritrade the Solicitation Fee on any advisory fees received by CAPTRUST from any of a referred client's family members, including a spouse, child or any other immediate family member who resides with the referred client and hired CAPTRUST on the recommendation of such referred client. CAPTRUST will not charge clients referred through AdvisorDirect any fees or costs higher than its standard fee schedule offered to its clients or otherwise pass Solicitation Fees paid to TD Ameritrade to its clients. For information regarding additional or other fees paid directly or indirectly to TD Ameritrade, please refer to the TD Ameritrade AdvisorDirect Disclosure and Acknowledgement Form.

CAPTRUST's participation in AdvisorDirect raises potential conflicts of interest. TD Ameritrade will most likely refer clients through AdvisorDirect to investment advisors that encourage their clients to custody their assets at TD Ameritrade and whose client accounts are profitable to TD Ameritrade. Consequently, in order to obtain client referrals from TD Ameritrade, CAPTRUST may have an incentive to recommend to clients that the assets under management by CAPTRUST be held in custody with TD Ameritrade and to place transactions for client accounts with TD Ameritrade. In addition, CAPTRUST has agreed not to solicit clients referred to it through AdvisorDirect to transfer their accounts from TD Ameritrade or to establish brokerage or custody accounts at other custodians, except when its fiduciary duties require doing so. CAPTRUST's participation in AdvisorDirect does not diminish its duty to seek best execution of trades for client accounts.



### Schwab Advisor Network®

CAPTRUST receives client referrals from Charles Schwab & Co., Inc. (“Schwab”) through CAPTRUST’s participation in Schwab Advisor Network® (“the Service”). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with CAPTRUST. Schwab does not supervise CAPTRUST and has no responsibility for CAPTRUST’s management of clients’ portfolios or CAPTRUST’s other advice or services. CAPTRUST pays Schwab fees to receive client referrals through the Service. CAPTRUST’s participation in the Service may raise potential conflicts of interest described below. CAPTRUST pays Schwab a Participation Fee on all referred clients’ accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by CAPTRUST is a percentage of the fees the client owes to CAPTRUST or a percentage of the value of the assets in the client’s account, subject to a minimum Participation Fee. CAPTRUST pays Schwab the Participation Fee for so long as the referred client’s account remains in custody at Schwab. The Participation Fee is billed to CAPTRUST quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by CAPTRUST and not by the client. CAPTRUST has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs CAPTRUST charges clients with similar portfolios who were not referred through the Service. CAPTRUST generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client’s account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab.

The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees CAPTRUST generally would pay in a single year. Thus, CAPTRUST will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of CAPTRUST’s clients who were referred by Schwab and those referred clients’ family members living in the same household. Thus, CAPTRUST will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit CAPTRUST’s fees directly from the accounts. For accounts of CAPTRUST’s clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from CAPTRUST’s clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab.

Schwab’s fees for trades executed at other broker-dealers are in addition to the other broker-dealer’s fees. Thus, CAPTRUST may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. CAPTRUST nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for CAPTRUST’s other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### Fidelity Wealth Advisor Solutions®

CAPTRUST participates in the Fidelity Wealth Advisor Solutions® Program (the “WAS Program”), through which CAPTRUST receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. CAPTRUST is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control CAPTRUST and FPWA has no responsibility or oversight for CAPTRUST’s provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for CAPTRUST and CAPTRUST pays referral fees to FPWA for each referral received based on CAPTRUST’s assets under management attributable to each client referred by FPWA or members of each client’s household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to CAPTRUST does not constitute a recommendation or endorsement by FPWA of CAPTRUST’s particular investment management services or strategies. More specifically, CAPTRUST pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as “fixed income” assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, CAPTRUST has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by CAPTRUST and not the client.

To receive referrals from the WAS Program, CAPTRUST must meet certain minimum participation criteria, but CAPTRUST may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC (“FBS”). As a result of its participation in the WAS Program, CAPTRUST may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and CAPTRUST may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to CAPTRUST as part of the WAS Program. Under an agreement with FPWA, CAPTRUST has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, CAPTRUST has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when CAPTRUST’s fiduciary duties would so require, and CAPTRUST has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA’s affiliates to another custodian; therefore, CAPTRUST may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit CAPTRUST’s duty to select brokers on the basis of best execution.

## **Item 15 – Custody**

Clients should receive statements at least quarterly from the qualified custodian that holds and maintains the Client’s investment assets. CAPTRUST urges Clients to carefully review such statements and compare the official custodial records to any reports provided by CAPTRUST.

CAPTRUST reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. CAPTRUST does not act as a qualified custodian for Client assets. However, CAPTRUST does disclose upon the ADV Part 1 (Item 9) that it has custody of clients' funds or assets because of the method by which CAPTRUST processes third party checks for Clients and also because a small number of Wealth Clients have asked a CAPTRUST Financial Advisor to act as a trustee or in a similar capacity with respect to their wealth assets. Therefore, CAPTRUST undergoes an annual "surprise" audit by an independent certified public accountant to audit the funds and securities in the accounts for these Clients and who is also engaged to prepare an internal control report annually.

## Item 16 – Investment Discretion

For certain of CAPTRUST Clients, Adviser has the authority to determine, without obtaining specific Client consent, both the securities to be bought and sold in their accounts as well as the amount of the securities to be bought or sold. However, this discretion must be provided at the beginning of the Adviser/Client relationship and documented in the **Agreement**. There is no particular set limit to this discretion established as part of the **Agreement** or this disclosure document. Adviser has the authority to negotiate commission rates charged by the custodians, but does not have any control over the fees charged by the custodians for the services they provide. These fee changes have a direct impact to the Client as they may be charged commissions for transactions. There is no limitation on such discretion, and the Client may pay commissions higher than those obtainable from other broker/dealers for the same products and services. Commissions and/or transaction fees charged Pershing, Fidelity, Schwab and/or TDA may be higher or lower than obtainable elsewhere.

## Item 17 – Voting Client Securities

In general, CAPTRUST Wealth Clients delegate the authority to vote their proxies to CAPTRUST in their Agreement. It is CAPTRUST's aim to see that proxies are voted in the best interest of its clients. In General, the proxy voting guidelines are designed to be responsive to the wide range of issues that can be raised in proxy situations. The Proxy Voting Policy contains detailed guidelines and specific methods by which conflicts of interests are addressed.

**Accounts Managed By Outside Investment Managers:** Occasionally CAPTRUST recommends that a client use an outside manager. Under those conditions, Clients relegate the right to vote proxies to their outside account manager. The outside manager's proxy voting policies will be detailed in their Form ADV Part 2.

To obtain a copy of CAPTRUST's Proxy Voting Policy or for a copy of CAPTRUST's Proxy Voting record, Clients can contact CAPTRUST directly at: (800) 216-0645 or (919) 870-6822 or may email [compliance@captrust.com](mailto:compliance@captrust.com) or write to CAPTRUST "Compliance" to obtain the information at the address below:

CAPTRUST, 4208 Six Forks Road, Suite 1700, Raleigh, NC, 27609

## Item 18 – Financial Information

Registered Investment Advisers are required to provide Clients with certain financial information or disclosures about CAPTRUST's financial condition. CAPTRUST has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of any bankruptcy proceeding.

### Privacy Policy

CapFinancial Partners, LLC ("CAPTRUST") recognizes that its Clients have an expectation that CAPTRUST and its affiliates will maintain the confidentiality of Clients' nonpublic personal information. Consequently, CAPTRUST has adopted this Privacy Policy concerning information obtained during the servicing of Client's account(s).

**Nonpublic information:** Nonpublic information obtained by CAPTRUST for purposes of providing services hereunder will not be furnished to third parties for any other purpose other than in furtherance of the services to be provided hereunder. Notwithstanding the foregoing, CAPTRUST may disclose nonpublic information (i) to the extent such disclosure is required by court order or by a valid order of a governmental body governmental or quasi-governmental agency (such as FINRA) (ii) prior or after the time of disclosure such information becomes part of the public knowledge or literature, not as a result of any inaction or action of CAPTRUST, (iii) reasonably necessary for CAPTRUST to enforce its legal rights in any dispute with that Client; or (iv) is approved by Client, in writing, for release. CAPTRUST does not disclose nonpublic personal information about its Clients to any party except as permitted by law.

**Sources of Personal Information:** We collect Personal Information about you from meetings with you and on applications or other forms you have submitted to CAPTRUST, as well as information about your investments or transactions with us or others (such as third-party service providers or fund companies) from other sources.

### How CAPTRUST Protects the Confidentiality of Clients' Nonpublic Personal Information:

CAPTRUST does not sell or trade Clients' information with nonaffiliated companies. When information is provided to third party service providers, safeguards are in place to assure that information is used only for the purpose it is provided. CAPTRUST maintains its records on secured computers. Prospective employees are screened for criminal convictions. Once hired, employees are made aware of CAPTRUST's Privacy Policy and of the confidential nature of the information they handle. Employees are limited to accessing only that customer information that is necessary to perform their job functions.

**To Whom This Policy Applies:** This Notice applies to all our Clients who enter into an Advisory Services Agreement with us. Our Former Clients: Even if you are no longer a client, our Privacy Policy will continue to apply to you. **For California Residents:** See Supplemental Privacy Notice available at <https://my.captrust.com/privacy-policy/>.

**Access to and Correction of Information:** Upon the written request of Clients, we will make available for their review any file we may maintain for their Personal Information; provided, however, that any Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available.

If Clients notify us that any Information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, Clients may submit a short statement of dispute, which we will include in any future disclosure of the disputed Information.

**Further Information:** We reserve the right to change this Privacy Policy at any time. The examples contained within this Privacy Policy are illustrations and are not intended to be exclusive. This Policy attempts to comply with federal and state regulations regarding privacy. Clients may have additional rights under other foreign or domestic laws that may apply to them.

**“Opt Out” Provision:** Since CAPTRUST does not sell or share any Personal Information, an “opt out” provision would not be applicable to this Privacy Policy. Clients may call (800)216-0645 to request further information regarding this policy.

### **Use of Cookies**

An internet cookie is a small amount of data that is placed on to your machine from a website and stored in your internet browser. Cookies allow our website to store things like preferences, so that it can recognize you when you come back respond appropriately. CAPTRUST makes use of cookies to improve the load times and functionality of the website, and in some cases registration pages. CAPTRUST may from time to time also utilize data tracking software to assist us in spotting trends, and areas of improvement on the website. By using this site, you are consenting your express approval allowing us to utilize these technologies so that we can improve our service and product for you. CAPTRUST may also use various third-party cookies to report usage statistics of the service. CAPTRUST also may use cookies to authenticate users and prevent fraudulent use of user accounts.

### **Business Continuity Disclosure/Summary**

CapFinancial Partners, LLC, doing business as CAPTRUST Financial Advisors, (“CAPTRUST”) is a federally registered investment adviser. In general, CAPTRUST provides investment advisory services on a nondiscretionary/consultative basis to large retirement plans and other institutions who assets are held at various banks, trust companies, broker/dealers and insurance companies that are determined by the institutional client. CAPTRUST wealth and other institutional advisory clients, have elected to have their accounts with Pershing Advisor Solutions (Pershing, LLC), Fidelity Institutional Brokerage Services, Charles Schwab & Co., Inc., and/or TD Ameritrade. Freedom401k Plan Clients accounts and assets are maintained and custodied at Fidelity Institutional Brokerage.

CAPTRUST summarizes the manner with which CAPTRUST’s Business Continuity Plan (“BCP”) addresses the possibility of significant business disruptions (“SBD”). Accordingly, CAPTRUST furnishes this document to clients in order to provide information about our efforts to minimize the impact of an emergency, business disruption or disaster on the business of CAPTRUST.

In general, industry regulations require firms to create and maintain a business continuity plan reasonably designed to meet its obligations to its clients or other counter-parties. In accordance with these requirements, CAPTRUST has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to our clients.

In keeping with the regulatory requirements, the business continuity plan for CAPTRUST is designed to address key areas of concern - including but not limited to the following:

- Data back-up and recovery;
- Mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between CAPTRUST and its clients;
- Alternate means of communication between CAPTRUST and its employees;
- Alternate physical locations of employees;
- Critical business constituent, bank and counter-party impact;
- Regulatory reporting;
- Communications with regulators; and
- How CAPTRUST will ensure that customers have access to their funds and securities in the event CAPTRUST determines it is unable to continue its business.

Since events creating business disruptions may vary in nature and scope, CAPTRUST has anticipated scenarios in which the following are affected:

- CAPTRUST headquarters location
- A CAPTRUST branch location
- A city-wide area
- A regional area
- The United States in its entirety

Regardless of the scope of potential disruption, CAPTRUST intends to continue to provide service to its clients. In the event of a significant business disruption, where the primary building or business district is located, we will move our staff from affected offices to the closest of our unaffected offices. The firm has several other locations from which to conduct business. Therefore, should the primary building or business district be affected by a disruption, the other locations can be used to help restore operations.

In the unlikely event of a citywide or regional disruption, several of CAPTRUST's other locations ("established recovery sites") are in other cities relatively close in proximity. The first established recovery site is approximately 4 miles from its headquarters and is located within Tierpoint's data center in Raleigh. The second is approximately 170 miles from its headquarters (in Charlotte NC) and the other is approximately 400 miles (Atlanta GA). All alternate locations can be used to restore time sensitive functions as soon as key employees are relocated to the



facility. In the event that any such disruption occurs, we have developed alternative service arrangements, systems, locations and contingency plans to ensure that any service is quickly restored.

In the event of a pandemic where public lockdowns are mandated, travel restrictions are implemented, or where employee safety is of concern at our headquarters location or other regional offices / branch locations, we will implement a work-from-home (WFH) order and maintain continuity of operations.

CAPTRUST has identified several computer applications with Mission Critical or High criticality ratings and has documented this within the business continuity plan.

Some Mission Critical systems such as computer applications are proprietary to services providers such as Pershing (i.e., Next360). Pershing, Schwab, Fidelity & TD Ameritrade provide annual BCP disclosures to CAPTRUST clients utilizing those Institutional Advisory platforms. The BCP Summaries/Disclosures for those providers are also attached as addendums CAPTRUST's BCP Plan.

**For those CAPTRUST Clients who are utilizing Pershing custodian:**

Although CAPTRUST recognizes Pershing as a Critical Business Constituent, Pershing's proprietary web-based platform permits access to your account remotely regardless of a business local, city-wide or regional disruption. Please see the summary of Pershing's Business Continuity Plan attached hereto. Otherwise, you may call CAPTRUST at (800) 216-0645 or you may reach Pershing Advisor Solutions at (201) 413-3635. Clients may access their accounts at [www.pershing.com](http://www.pershing.com).

**For those CAPTRUST Clients who are utilizing Fidelity as custodian:**

Although CAPTRUST recognizes Fidelity as a Critical Business Constituent, Fidelity's proprietary web-based platform permits access to your account remotely regardless of a business local, city-wide or regional disruption. Please see the summary of Fidelity's Business Continuity Plan attached hereto. Otherwise, you may call CAPTRUST at (800) 216-0645 or you may reach Fidelity directly at 800-343-3548. Client may access their accounts by logging into [www.fidelity.com](http://www.fidelity.com).

**For those CAPTRUST Clients who are utilizing Schwab custodian:**

Although CAPTRUST recognizes Schwab as a Critical Business Constituent, Schwab's proprietary web-based platform permits access to your account remotely regardless of a business local, city-wide or regional disruption. Please see the summary of Schwab's Business Continuity Plan attached hereto. Otherwise, please call CAPTRUST at (800) 216-0645 or you may reach Schwab Institutional Investments directly at: 800.515-2157 Clients may access their accounts by logging into [www.schwab.com](http://www.schwab.com).



**For those CAPTRUST Clients who are utilizing TD Ameritrade as custodian:**

Although CAPTRUST recognizes TD Ameritrade as a Critical Business Constituent, TDA's proprietary web-based platform permits access to your account remotely regardless of a business local, city-wide or regional disruption. Please see TD Ameritrade's Business Continuity Plan Statement attached hereto. Or you may find the published document at: <https://www.tdameritrade.com/disclosure.page>. Clients may obtain a current version of TDA's BCP Statement by contacting CAPTRUST at [compliance@captrust.com](mailto:compliance@captrust.com) or by writing to TD Ameritrade, Inc., Compliance Dept, PO Box 2148, Omaha, NE 68103-2148.

While CAPTRUST understands that no contingency plan can eliminate all risk of service interruption or temporarily impeded account access, we continually assess and update our plans to mitigate all reasonable risk.

At a minimum, the CAPTRUST business continuity plan is reviewed, updated and tested on an annual basis. Additionally, our primary internal and external application providers periodically conduct testing of their own back-up capabilities to ensure that, in the event of an emergency or significant business disruption, they will be able to provide us with the critical information and applications we need to continue or promptly resume our business. When testing our plan, we review the recovery time and resumption time period for all mission critical systems.

Making sure that any type of disruption does not unduly impact our clients is extremely important to us, and our business continuity plan is designed to allow us to continue to provide the quality service you have come to expect from CAPTRUST.

In the event of an internal or external SBD, if telephone service is available, our registered persons will take customer orders or instructions (919) 870-6822 (local) or (800) 216-0645 (toll-free) and contact our clearing firm on their behalf, and if our Web access is available, our firm will post on our Web site (<https://captrust.com>) that customers may access their funds and securities by contacting Pershing, Fidelity, Schwab TDA directly.

## **CAPTRUST ADV Part 2 B**

### **Item 1 – Cover Page - Investment Committee**

June 1, 2021

This brochure supplement provides information about CAPTRUST Financial Advisors Investment Group’s (“IG”) Investment Committee. Specifically, the persons who determine the investment advice to be given are summarized in this supplement to the CAPTRUST Financial Advisors (“CAPTRUST”) Disclosure Brochure. You should have received a copy of that brochure. Please contact the Compliance Department at (919) 870-6822 or via email at [compliance@captrust.com](mailto:compliance@captrust.com) if you did not receive the CAPTRUST Disclosure Brochure or if you have any questions about the contents of this supplement. Additional information about CAPTRUST is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

CAPTRUST  
4208 Six Forks Road, 17<sup>th</sup> Floor  
Raleigh NC 27609

## Item 2 – Education Background and Business Experience

**Michael J. Vogelzang, CFA®, Principal | Chief Investment Officer**

Born: 1961

### Educational Background

Michael earned a Bachelor of Arts degree in economics and political science from Calvin College and attended Boston University's Graduate School of Management. Michael also holds the Chartered Financial Analyst (CFA®)<sup>i</sup> professional designation.

### Business Experience

To	From	Firm	City	State	Position
05/2021	Present	CAPTRUST	Raleigh	NC	Principal, Chief Investment Officer
10/2019	05/2021	CAPTRUST	Raleigh	NC	Chief Investment Strategist
09/1997	09/2019	Boston Advisors, LLC	Boston	MA	President and Chief Investment Officer

**David Hood, Senior Director | Head of Due Diligence**

Born: 1978

### Educational Background

David is a graduate of University of North Carolina at Chapel Hill with a BA in Political Science and a BA in Journalism and Mass Communication. David earned his MBA from Wake Forest University in finance.

### Business Experience

To	From	Firm	City	State	Position
09/2009	Present	CAPTRUST	Raleigh	NC	Senior Director, Head of Due Diligence

**James (Jim) Underwood, CFA®, Principal | Portfolio Strategist**

Born: 1972

### Educational Background

Jim earned a Bachelor of Science degree in finance from Auburn University and a Master of Business Administration degree from the University of Alabama at Birmingham. Jim also holds the Chartered Financial Analyst (CFA®) professional designation.

#### Business Experience

To	From	Firm	City	State	Position
02/20	Present	CAPTRUST	Raleigh	NC	Principal, Portfolio Strategist
07/06	02/20	Welch Hornsby & Welch, Inc	Montgomery	AL	Chief Portfolio Strategist

#### **Sam Kirby, CFA®, Senior Director | Head of Investment Strategies**

Born: 1974

#### Educational Background

Sam earned a Bachelor of Arts degree in Journalism from the University of North Carolina at Chapel Hill and a Master of Science degree in Business Management from North Carolina State University. Sam also holds the Chartered Financial Analyst (CFA®) professional designation.

#### Business Experience

To	From	Firm	City	State	Position
07/2011	Present	CAPTRUST	Raleigh	NC	Senior Director, Head of Investment Strategies

#### **Ellen R. Shaer, CFA®, Director | Investment Strategist**

Born: 1961

#### Educational Background

Ellen earned a Bachelor of Science degree in economics from the Wharton School at the University of Pennsylvania and a Master of Business Administration degree from Columbia University Graduate School of Business. Ellen also holds the Chartered Financial Analyst (CFA®) professional designation.

#### Business Experience

From	To	Firm	City	State	Position
09/2013	Present	CAPTRUST	Raleigh	NC	Director, Investment Strategist

#### **Hunter Brackett, CFA® | Senior Manager | Equity Due Diligence**

Born: 1974

#### Educational Background

Hunter is a graduate of Washington and Lee University with a Bachelor of Arts in Economics. Hunter earned his MBA from UNC Kenan-Flagler Business School, with a concentration in Investment Management.

#### Business Experience

From	To	Firm	City	State	Position
06/2012	Present	CAPTRUST	Raleigh	NC	Senior Manager, Equity Due Diligence

#### **Matt Ogden, Senior Manager | Fixed Income Due Diligence**

Born: 1984

#### Educational Background

Matt earned a Bachelor of Arts degree in Mathematical Economics from Colgate University

#### Business Experience

From	To	Firm	City	State	Position
04/2010	Present	CAPTRUST	Raleigh	NC	Senior Manager, Fixed Income Due Diligence

#### **Christine Safarikas, CFA®, Senior Analyst | Investment Research**

Born: 1966

#### Educational Background

Christine earned a Master of Business Administration in Finance and a Bachelor of Business Administration in Marketing from HEC Montréal located in Montréal Canada. Christine also holds the Chartered Financial Analyst (CFA®) professional designation.

#### Business Experience

To	From	Firm	City	State	Position
05/2018	Present	CAPTRUST	Raleigh	NC	Senior Analyst, Investment Research

### **Item 3 - Disciplinary Information**

The Investment Committee Members of CAPTRUST'S Investment Group ("IG") summarized here are required to disclose all material facts regarding any legal and disciplinary events that may be material to your evaluation of the representative. None of the Investment Committee Members of CAPTRUST'S Investment Group have any information applicable to this Item.

## **Item 4 - Other Business Activities**

Investment Committee Members may also be Registered Representatives of CapFinancial Securities, LLC, an affiliated registered broker-dealer and member FINRA/SIPC. However, Investment Committee Members in IG are salaried employees whose compensation is not determined by assets under management or commissions (transaction-based fees) or product revenue.

In this way, CAPTRUST eliminates the conflict of interest so they have no financial incentive to recommend securities and other investments that may result in commissions, brokerage fees, 12b-1 fees or other payments. When CapFinancial Securities, LLC collects revenue as a broker/dealer on products associated with CAPTRUST Plan Client assets, members of IG do not act as “broker of record,” but rather, the CAPTRUST Financial Advisor who is responsible for relationship management may do so. However, all product revenue associated with Plan assets is reflected upon an invoice to Plan Clients and used to offset or lower the Plan Client’s advisory fee. CAPTRUST is constrained by fiduciary principles to act in your best interest.

## **Item 5 - Additional Compensation**

The members of IG do not receive additional compensation for advisory services other than fees paid by the Client.

## **Item 6 - Supervision**

The investment advisory activity of IG is supervised by Denise Buchanan, Chief Compliance Officer. Ms. Buchanan can be reached at (919) 870-6822. The CAPTRUST Financial Advisor responsible for performing periodic reviews and consulting with Clients is in a relationship management role. The members of the Investment Group (“IG”) summarized here are responsible for ongoing reviews of markets, sectors and individual securities. This continuous and regular investment supervision is conducted by IG under the Investment Committee’s direction and supervision. Michael Vogelzang leads IG and is a member of CAPTRUST’s Executive Committee, reporting directly to Fielding Miller. David Hood manages IG’s Investment Manager Due Diligence program.

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<sup>i</sup> The Chartered Financial Analyst® (CFA®) designation is issued by the CFA Institute after candidates pass three course exams involving 250 hours of self-study time for each of the three levels. In order to qualify to sit for the exams, candidates must have an undergraduate degree or four years of qualified professional experience or a combination of work and college experience that totals at least four years. Candidates are also required to sign a Professional Conduct Statement and a Candidate Responsibility Statement.