



Relationship Summary (Form ADV3/CRS)

Date: October 28, 2021

Item 1. Introduction

Who we are: CapFinancial Partners, LLC (“CAPTRUST”) is an independent investment adviser registered with the US Securities & Exchange Commission. We provide *advisory accounts and services* rather than brokerage accounts and services. This document gives you a summary of the types of services we provide and how you pay for them. Please ask us for more information. There are some suggested questions on the bottom of this page.

Is an Investment Advisory Account Right for You? There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you. You may independently research [CAPTRUST](#) and other financial professionals using free and simple tools at (www.investor.gov/CRS), which provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me? If you sign an investment advisory agreement with CAPTRUST, it means you are hiring CAPTRUST to manage your investment account. **You will pay an ongoing quarterly fee based upon the total value of the cash and investment assets in your advisory account** (the fee rate is negotiated between you and your CAPTRUST Financial Advisor). CAPTRUST offers advice on a *continuous (ongoing) and regular basis*, reporting results back to you *at least quarterly*.

How? When you hire CAPTRUST, your Financial Advisor and client service team members will gather personal information from you in order to determine your needs, goals, objective and risk tolerance and to design an appropriate investment strategy specifically to assist you in meeting those goals.

Monitoring & Communication: Account reviews are conducted at least *quarterly*. *Quarterly review reports* (with account performance and market commentary) are delivered to you electronically using a secure client portal called [BlackDiamond](#) <https://login.bdreporting.com/Auth/SignIn>. Clients requiring hard copy of their quarterly review reports should contact their CAPTRUST Financial Advisor or email compliance@captrust.com.

Investment Authority: You can hire CAPTRUST to manage your investments on a **discretionary basis** which means CAPTRUST will buy or sell investments in your account **without asking you in advance**. CAPTRUST can also manage your assets on a **nondiscretionary basis** which means we offer advice and make recommendations, but **you decide what investments we can buy or sell in your account**. Since discretionary accounts are updated *automatically* to stay in line with the agreed upon strategy, clients who have not given us discretion can be put at a disadvantage since we have to wait until we are able to obtain approval before buying or selling an investment.

Limitations on Investment Offerings: CAPTRUST does not limit the types of investments in our managed accounts. However, a minimum annual advisory fee may apply. Please ask your Financial Advisor.

If you are a **plan participant** in a retirement plan offering [CAPTRUST Advice Solutions](#), CAPTRUST’s ability to manage assets in your plan **may be limited** by your *plan sponsor*. CAPTRUST does not impose limitations on the type of investment offerings in your plan. Your plan

sponsor decides *how the plan will pay* for advisory services, but you *elect* whether to use the services or not.

CAPTRUST *does not* advise on “Company Stock” (i.e., investments in your employer’s stock ownership), brokerage account assets, or other assets held outside your retirement plan. However, if you choose to provide this information to CAPTRUST it will be taken into consideration when determining the allocation that is recommended for your account.

[CAPTRUST Advice Solutions](#) uses a third-party technology provider to gather personal information from the plan sponsor, the plan recordkeeper, and you, to calculate an appropriate asset allocation specifically for you. There are two types of [Advice Solutions](#): 1) [Blueprint Managed Advice](#) – is a **discretionary advisory service** using a third-party technology. CAPTRUST sends transaction instructions to your plan recordkeeper to implement the asset allocation for you. **Monitoring:** Participant accounts are reviewed periodically and updated automatically based on available personal information **without contacting you**. You can terminate these services at any time. 2) [Online Advice](#), **nondiscretionary, point-in-time, investment recommendation** with respect to the allocation of your account and **you need to decide whether to implement** the investment recommendation. **Monitoring:** You *and not* CAPTRUST will have to monitor your account. Since [Online Advice](#) is a point-in-time recommendation, there is no need to terminate that service.

[Blueprint Managed Advice](#) and [Online Advice](#) services can be accessed any time by *logging into your retirement plan account* where you can make changes to your personal information.

Affiliate Services: CAPTRUST has an affiliated broker-dealer, CapFinancial Securities, LLC that provides brokerage services to CAPTRUST advisory clients on an ancillary basis, separate and apart from CAPTRUST advisory services. Please email compliance@captrust.com for information on CFS.

Conversation Starters: It is important that you understand whether these services are right for you. Please ask your CAPTRUST financial advisor these key questions about our different investment advisory services: 1) *Given my financial situation, why should I choose an advisory account? Why or Why not?* 2) *How will you choose investments to recommend for my account?* 3) *What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?*

Click here for an explanation of various [credentials](#) or navigate to <https://www.captrust.com/wp-content/uploads/2019/09/Professional-Certification-Designations.pdf>

Answers to Conversation Starters may be found here:

[Find Answers](#) or navigate to: <https://www.captrust.com/important-disclosures/> **For Plan Participants: [Answers for Participants](#)** or navigate to: <https://www.captrustadvice.com/wp-content/uploads/sites/2/2020/06/CAPTRUST-Advice-Solutions-Conversation-Starters.pdf>

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay? CAPTRUST advisory fees are asset-based, ongoing, expressed as a percentage of the total assets being managed. We assess fees on a quarterly basis, generally *in advance*.



Fees are negotiated with your Financial Advisor and are documented in your advisory agreement. Accounts can be set up so that your fee rate includes trading cost (called a “wrap fee” program). Wrap fees are asset-based fees that include most transaction costs and brokerage fees charged by the custodian of your account, and therefore, are higher than a typical asset-based advisory fee.

It is important to know that the costs and account types differ. You could pay more for advisory fees if you choose a *wrap fee* account where the brokerage fees and costs are included in your advisory fee, especially if there is very little trading activity. In general, advisory fees are lower if you choose to pay the cost of transactions separately. Please follow these links information on our wrap fee accounts: [CAPTRUST Wrap Fee Programs Brochure](#) or send an email to compliance@captrust.com for a pdf or to have a hard copy mailed to you.

Your account can also be set up so that your advisory fee *does not include trading cost* (“non-wrap fee”) and you must pay for transactions separately. Click here: [CAPTRUST Wealth Client Brochure](#) to review this type of advisory service or send an email to compliance@captrust.com for a pdf or to have a hard copy mailed to you.

Regardless of the which type of arrangement you choose, the more assets there are in your advisory account, the more you will pay in advisory fees, so, we have an incentive to encourage you to increase the assets in your account.

Other types of fees that CAPTRUST may earn: 1) Fixed or Hourly Fees: You can hire us to do a financial plan or analysis for either a flat fee or hourly fee rate. 2) Performance Fees: CAPTRUST may indirectly share in a performance fee in connection to assets invested in 3 private funds for which two CAPTRUST Financial Advisors act as portfolio managers. Please see our disclosure brochures found at <https://www.captrust.com/important-disclosures/> for a complete discussion on this conflict. 3) Commissions on life insurance: In a very limited number of cases, CAPTRUST may earn commissions on non-variable life insurance products when a CAPTRUST Financial Advisor is the insurance agent of record. However, if commissions are paid, you would also not be charged an advisory fee on life insurance.

Other fees and costs related to your advisory account: Separate and apart from advisory fees you pay, here are some of the most common fees and costs applicable to your account: Account maintenance/custodial fees charged by the broker/dealer that holds your account; Management fees related to mutual funds, ETFs, and/or variable annuities, and other transactional fees and product-level fees.

Additional Information: You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Please ask your Financial Advisor questions using this **Conversation Starter**: 1) *Help me understand how these fees and costs might affect my investments. If I give you \$100,000 to invest, how much will go to fees and costs, and how much will be invested for me?* 2) *What are your legal obligations to me when acting as my investment adviser?* 3) *How else does your firm make money and what other conflicts of interest*

do you have? 4) How might your conflicts of interest affect me, and how will you address them?”

We are required to act in your best interest which means putting *your interest* above our own. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means: Many CAPTRUST Financial Advisors are licensed insurance agents and registered representatives of our affiliated broker/dealer, CapFinancial Securities, LLC. Those Financial Advisors can earn commissions on life insurance products or, in some instances, commissions on mutual fund or variable annuities. We have a small number of revenue-sharing arrangements with independent third parties. These and other conflicts exist and are disclosed in our Disclosure Brochures found here: [Important Disclosures](#), or you may go to <https://www.captrust.com/important-disclosures/>. Requests can be sent to compliance@captrust.com.

How do your financial professionals make money? CAPTRUST Financial Advisors are compensated based upon a portion of the advisory fees paid to CAPTRUST by their clients. Financial Advisors may also earn annual bonuses based on new client assets that come under management or total assets under management. Other CAPTRUST employees (including our Investment Group) are paid salary plus bonuses. In very limited cases, as described under “Other fees”, Financial Advisors may earn commissions on mutual fund, annuities or insurance products or private investments placements. (i.e., differential compensation) when appointed by the client as agent or broker of record.

Item 4. Disciplinary History

Do you or your financial professionals have legal or disciplinary history? Yes. Although CAPTRUST does not have any legal or disciplinary history to disclose on the Form ADV, a small number of individuals who work for CAPTRUST have made legal or disciplinary disclosures to the public (not involving any services provided by CAPTRUST). You are encouraged to please visit www.investor.gov/CRS for a free and simple search tool to research CAPTRUST and/or our financial professionals.

Conversation Starters regarding disciplinary history: 1) *As a financial professional, do you have any disciplinary history?* 2) *For what type of conduct?*

Item 5. Additional Information

You may find important information about CAPTRUST at [Important Disclosures](#) or you may contact CAPTRUST Compliance by emailing compliance@captrust.com to request a complete (electronic or paper) copy of this Relationship Summary or any other CAPTRUST disclosure brochure including your Financial Advisors Form ADV Part 2B supplement **free of charge**.

Conversation Starters regarding contacts and complaints: 1) *Who is my primary contact person?* 2) *Is he or she a representative of an investment adviser or a broker-dealer?* 3) *Who can I talk to if I have concerns about how this person is treating me?* You may call compliance toll-free at (800) 216-0645.