

## Item 1 – Cover Page

March 31, 2023

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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-institutional 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 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).

## Item 2 – Summary of Material Changes

Item 4: We have updated the total amount of discretionary and nondiscretionary client assets under management. As of December 31, 2022, CAPTRUST's Form ADV discloses \$714,587,898,000 in total assets under management. This total includes just over \$ 598,645,168,000 in nondiscretionary assets under advisement, primarily comprised of institutional client assets, and just under \$115,942,730,000 in discretionary assets under advisement that includes both institutional client and wealth (individual) client assets.

Item 10: Under “Other Financial Industry Activities and Affiliations”, we amended this section to disclose the following acquisition activity: In the third quarter of 2022, The CapFinancial Group, LLC, CAPTRUST's parent company, (“CFG”) acquired the assets of Frontier Wealth Management, LLC (CRD #144344), in Kansas City, MO, expanding CAPTRUST's footprint in the Midwest to include locations in Wichita, Omaha and Denver. Additionally, CFG acquired the assets of Danda Trouve Investment Management, Inc. just outside of Kansas City, MO.

In the fourth quarter of 2022, the assets of TrustCore Financial Services, LLC (CRD #106522) just outside Nashville, Tennessee and Kairos Private Wealth, Inc.(CRD # 311653) in Lake Mary, Florida were acquired.

In connection with TrustCore Financial Services LLC acquisition, CAPTRUST agreed to assume the role of advisor to the private fund (TrustCore Private Opportunities Fund LP) for which PPB TCPOF MGT LLC acts as General Partner.

Also, under Item 10: “Material Conflicts Regarding Private Funds”, CAPTRUST makes the following disclosure: On February 28, 2022, CAPTRUST formed a new entity called “CAPTRUST 2022 Homecourt Fund GP, LLC” (A Delaware; Single Member Limited Liability Company) for the purpose of organizing a new private fund called “CAPTRUST 2022 Homecourt Fund, L.P.”. CAPTRUST 2022 Homecourt Fund, L.P. (“Homecourt”) was formed as an “Access Fund” into Dyal HomeCourt US Investors LP (“Dyal”), an independent third party private limited partnership. CapFinancial Partners, LLC (CAPTRUST) acts as the investment adviser to Homecourt. The Interests are offered pursuant to an exemption from the registration requirements of the Securities Act. Each investor must be a U.S. person that is (a) a person with the requisite skill and expertise to adequately assess the risks of investing in the Access Fund (and indirectly investing in the Underlying Fund), (b) an “accredited investor” as defined within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act, (c) a “qualified purchaser” as defined under the Investment Company Act, and (d) a “qualified client,” as defined under the U.S. Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”). There is no public market for the Interests, and no such market is expected to develop in the future. CAPTRUST's “Management Fee Rate” for all Limited Partners shall be (a) for so long as such Limited Partner is an Advisory Client, 0.10% per annum (i.e., 0.025% per quarter), and (b) if such Limited Partner is not an Advisory Client, 1.00% per annum (i.e., 0.25% per quarter).

Item 15 Custody: We amended this section to read as follows: “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 number of Wealth Clients have asked their CAPTRUST Financial Advisor to act as a trustee, executor, power of attorney, or in a similar capacity with respect to the Clients' assets that results in CAPTRUST's ability to access a Client's assets. In 2022, the total number of assets CAPTRUST deemed to have custody over increased substantially due to the integration of several groups of advisers joining CAPTRUST whose firms provided "family office" type ancillary services including tax consulting/accounting, tax preparation and bill pay services. In 2022, CAPTRUST's annual "surprise" audit and review of internal control procedures by an independent certified public accountant was expanded to include those additional offices as well as the funds and securities in the accounts for the Clients also joining CAPTRUST.

#### Important Disclosures About CAPTRUST's Privacy Policy and Business Continuity Plan

The CAPTRUST Privacy Policy and Business Continuity Disclosure/Summary have been removed from this brochure. This information is provided to clients each year together with our Annual Offer of the Form ADV Disclosure Brochures and can also be found on the CAPTRUST internet site by navigating to:

Business Continuity Plan: <https://www.captrust.com/business-continuity-plan/>

Privacy Policy: <https://www.captrust.com/privacy-policy/>

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

This Summary of Material Changes reflects only material changes to this Brochure since our last *annual update* of this brochure which was dated March 31, 2022. We did update our brochures in November 2022 for some changes that were not deemed to be material. 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. Each of CapFinancial Holdings, Inc. and Halftime Holdings, LLC owns more than 25% of The CapFinancial Group, LLC. GTCR Fund XII B indirectly owns more than 25% of CAPTRUST through its ownership of Halftime Holdings, LLC.

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 Clients.

CAPTRUST also provides investment advisory services to institutional clients including, but not limited to, retirement plan sponsors, 401(k) plans, 403(b) plans, pensions and profit-sharing plans, and non-qualified plans; endowments and foundations; religious organization; and other asset pools such as, corporations or other businesses not listed here (“Institutional Client”) which are disclosed separately (please see CAPTRUST Institutional Disclosure Brochure which can be found here: <https://www.captrust.com/important-disclosures/>).

As of December 31, 2022, CAPTRUST’s Form ADV discloses \$714,587,898,000 in total assets under management. This total includes just over \$ 598,645,168,000 in nondiscretionary assets under advisement, primarily comprised of institutional client assets, and just under \$115,942,730,000 in discretionary assets under advisement that includes both institutional client and wealth (individual) client assets.

### 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

Tax Related Services, Family Office, and other Ancillary Services

- Tax Consulting and Planning
- Accounting/Tax Preparation
- Bill Pay

Investment Supervisory Services

Adviser provides investment supervisory services on a discretionary or non-discretionary basis including, but not limited to 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 investment management firms offered by the Schwab Advisor Services division of Charles Schwab & Co. Inc. (“Schwab”). CAPTRUST performs due diligence on various independent investment managers. Based on the client's individual circumstances, CAPTRUST determines 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 SMA manager recommended. We may recommend one or more SMA managers to manage the client's assets on a discretionary basis. On an ongoing basis, we monitor the performance of the SMA 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 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 offers 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 10 (below) has a detailed discussion of any conflicts of interest CAPTRUST has in connection to the small number of private funds that were formed by firms who have CAPTRUST as the result of an acquisition.

## 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. Some clients who have assigned their advisory agreement(s) to CAPTRUST in connection with an acquisition pay their advisory fees in arrears. In either case, the terms of the advisory agreement determine the fee arrangements.

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.

Some client portfolios include private equity and/or other private investments for which quarterly values lag for up to 60 days following a quarter-end. In those limited cases, CAPTRUST uses the latest valuation date available for purposes of computing investment advisory fees. CAPTRUST relies on the client’s capital account statement (provided by the issuer or qualified custodian) for the values of such private investments

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:

Gross Market Value	Maximum Annual Fee
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’s 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 some 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. Certain combinations of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees.

Advisory fees are 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. Since fees 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, consultation or other ancillary 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.

Hourly Fees. When performing family office, and/or other ancillary services: tax consulting and planning; accounting/tax preparation; bill pay, CAPTRUST charges hourly fees that can range from \$50/hour - \$350/hour depending upon the type and complexity of the ancillary services to be provided. These services and fees will be negotiated and agreed upon with the Client, prior to performing the services.

## 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, CAPTRUST entered into subadvisory agreement(s) between CAPTRUST and three private funds (Excelsior Funds) where two CAPTRUST Financial Advisors act as portfolio managers to the Excelsior Funds. Since the management fee structure *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 0.0287% of all client assets.

## Item 7 – Types of Clients

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 here.

CAPTRUST also provides advisory services to institutional clients including, but not limited to, 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 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, exchange traded funds, fixed income securities, other investment vehicles where appropriate 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, Alternative Investments, Commodities and Real Estate are allocated amongst client portfolios.

CAPTRUST Advisors may build custom allocations for clients or select from pre-built models managed by the Investment Committee. Investment recommendations, including model selection, 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).
- **Private investment funds:** Clients who are qualified to invest in private funds must acknowledge and accept the specific risk factors that are associated with investing in private funds. Private fund investments involve various risk factors, including, but not limited to, potential for complete loss of principal, illiquidity, and lack of transparency. Private investments are only suitable for clients who are accredited investors or qualified purchasers and are experienced, sophisticated investors who understand the type of risks described in detail in fund offering documents and who desire to take higher risks in exchange for higher



potential returns.

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.

CFS, as an affiliated registered broker-dealer, provides individual and institutions general securities investment services. Many Investment Adviser Representatives with Adviser are simultaneously registered as CFS Registered Representatives. A CAPTRUST Financial Advisor who focuses primarily on wealth advisory services generally spends less than 10% of his/her time on work done for wealth clients focused on activities consistent with the definition of broker/dealer activities. A CAPTRUST Financial Advisor whose focus is institutional clients will generally spend less than 1% of his/her time on broker/dealer activities.

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.

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 Clients for whom retirement plan administrative services were provided by FORS (“Freedom401(k) Clients”). As of 12/31/22, all Freedom401(k) Clients entered into new plan administrative services agreements with an independent *unaffiliated* service provider called Milliman. CAPTRUST’s FORS team continues to provide relationship management services to Freedom401k Clients.

CAPTRUST does not typically recommend custodians to Clients, however, for the majority of Freedom401k Plans, Schwab Retirement acts as custodian for the Plan’s assets. Freedom401(k) Clients have separate written agreements with respect to custodial arrangements and may be paying more or less for custodial services through Schwab than other providers of similar services. Freedom401(k) Clients may be paying more or less for retirement plan administrative/recordkeeping services than other Clients.

In the third quarter of 2022, The CapFinancial Group, LLC, CAPTRUST’s parent company, (“CFG”) acquired the assets of Frontier Wealth Management, LLC (CRD #144344), in Kansas City, MO, expanding CAPTRUST’s footprint in the Midwest to include locations in Wichita, Omaha and Denver. Additionally, CFG acquired the assets of Danda Trouve Investment Management, Inc. just outside of Kansas City, MO.

In the fourth quarter of 2022, the assets of TrustCore Financial Services, LLC (CRD #106522) just outside Nashville, Tennessee and Kairos Private Wealth, Inc.(CRD # 311653) in Lake Mary, Florida were acquired.

In connection with TrustCore Financial Services LLC acquisition, CAPTRUST agreed to assume the role of advisor to the private fund (TrustCore Private Opportunities Fund LP) for which PPB TCPOF MGT LLC acts as General Partner.

## Material Conflicts Regarding Private Funds

On February 28, 2022, CAPTRUST formed a new entity called “CAPTRUST 2022 Homecourt Fund GP, LLC” (A Delaware; Single Member Limited Liability Company) for the purpose of organizing a new private fund called “CAPTRUST 2022 Homecourt Fund, L.P.”. CAPTRUST 2022 Homecourt Fund, L.P. (“Homecourt”) was formed as an “Access Fund” into Dyal HomeCourt US Investors LP (“Dyal”), and independent third party private limited partnership. CapFinancial Partners, LLC (CAPTRUST) acts as the investment adviser to Homecourt. The Interests are offered pursuant to an exemption from the registration requirements of the Securities Act. Each investor must be a U.S. person that is (w) a person with the requisite skill and expertise to adequately assess the risks of investing in the Access Fund (and indirectly investing in the Underlying Fund), (x) an “accredited investor” as defined within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act, (y) a “qualified purchaser” as defined under the Investment Company Act, and (z) a “qualified client,” as defined under the U.S. Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the “Advisers Act”). There is no public market for the Interests,

and no such market is expected to develop in the future. CAPTRUST's "Management Fee Rate" for all Limited Partners shall be (a) for so long as such Limited Partner is an Advisory Client, 0.10% per annum (i.e., 0.025% per quarter), and (b) if such Limited Partner is not an Advisory Client, 1.00% per annum (i.e., 0.25% per quarter).

CAPTRUST acts as subadvisor to three (3) private funds (Excelsior Funds) where two CAPTRUST Financial Advisors act as portfolio managers to the Excelsior Funds. CAPTRUST earns 50% of the management fees as compensation for subadvisory services (see Item 6 for more information).

In connection with acquisition of the assets of MRA Associates USA LLC ("MRA"), CAPTRUST acquired the interest in MRA GP, LLC ("MRA GP") MRA GP serves as general partner or manager to a series of private funds, namely, MRA 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. In 2021, investors in the Funds consented to the assignment of both the interest in GP and investment advisory agreements. CAPTRUST does not charge an advisory fee to the Funds.

In connection with Covenant Multi-Family Offices, LLC, CAPTRUST assumed the role of subadvisor to two private funds for which SALI Fund Services acts as Investment Advisor and Fund Administrator: Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II 3(c)(1), LP and Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II, L.P. (collectively, the "Covenant Funds"). CAPTRUST does not charge a subadvisory fee to the Covenant Funds.

CAPTRUST and RINET Company, LLC entered into a limited (administrative) services agreement whereby CAPTRUST will assist RINET in winding down four private funds RINET manages.

CAPTRUST may provide investment recommendations and advice regarding both affiliated and non-affiliated private investment funds. CAPTRUST shall provide the fund's offering materials at or prior to recommending the investment. Please refer to the fund's confidential offering memorandum for applicable disclosures regarding management of the fund, its investment objective, risk factors, tax and related factors.

## 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 of Ethics. All supervised persons at CAPTRUST must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics 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; (v) limits on political contributions; and (vi) 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. 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 of Ethics 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 of Ethics requires pre-approval of specific types of transactions, and, depending on the transaction, may restrict 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 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. (See "Block Trades" under "Brokerage Practices" below for additional information).

CAPTRUST's 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 a 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, trades for accounts are blocked together at each of the four Custodians 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.

In general, when a trade error occurs in a managed account, CAPTRUST absorbs the loss from correcting transactions, and the custodian typically makes a charitable donation of any profit that may emanate from correction of trade errors. However, each custodian handles trade error correction slightly differently. 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 Pershing, Fidelity, Schwab or TDA) to utilize their resources to select the most appropriate venue for execution.

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).

As mentioned above, CAPTRUST participates in the institutional advisor program (the “Program”) offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. CAPTRUST receives some benefits from TD Ameritrade through participation in the Program. (Please see the 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. Michael Vogelzang, 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).

Clients with portfolios that include private equity and/or other private investments ("private funds") should be advised that quarterly values lag for up to 60 days following a quarter-end. Since CAPTRUST relies on the client's capital account statement (provided by the issuer or qualified custodian) for private fund values used for purposes of quarterly portfolio review/reporting in Black Diamond®, quarterly review reports will reflect the latest valuation date available. Consequently, a Client's actual private fund holding(s) could be significantly more or less than the value reflected on the Black Diamond portfolio report. Unless otherwise indicated, the client's advisory fee shall be based upon the value reflected in Black Diamond®. 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 Solicitor to be compensated by CAPTRUST for referring a Client to CAPTRUST, the solicitor must be engaged by CAPTRUST under a Solicitor or Referral Agreement ("Referral Agreement") in compliance with Section 206(4)-1 of the Investment Advisers Act of 1940. In general, a Solicitor is compensated by a percentage of the advisory fee collected for a specified period of time (as detailed in the Referral Agreement). Clients pay 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.

Clients (or prospective clients) who are being referred to CAPTRUST, either by means of a paid "endorsement" or in connection with a paid "testimonial" by a current client, must be made aware of the arrangement *at the time the testimonial or endorsement is disseminated* in a clear and prominent manner. The disclosure of the arrangement must explain whether the "testimonial" was given by a current client or investor; or if the "endorsement" was given by a person other than a current client or investor; explain whether cash or non-cash compensation was provided for the *testimonial or endorsement*; and if applicable, include brief statement of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the investment adviser's relationship with such person.

In cases where a referral takes place *in person*, these required disclosures will be delivered in writing *at the time the testimonial or endorsement is being made*. 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 number of Wealth Clients have asked their CAPTRUST Financial Advisor to

act as a trustee, executor, power of attorney, or in a similar capacity with respect to the Clients' assets that results in CAPTRUST's ability to access a Client's assets. In 2022, the total number of assets CAPTRUST deemed to have custody over increased substantially due to the integration of several groups of advisers joining CAPTRUST whose firms provided "family office" type ancillary services including tax consulting/accounting, tax preparation and bill pay services. In 2022, CAPTRUST's annual "surprise" audit and review of internal control procedures by an independent certified public accountant was expanded to include those additional offices as well as the funds and securities in the accounts for the Clients also joining CAPTRUST.

## 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  
Compliance Department  
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.

### **Important Disclosures About CAPTRUST's Privacy Policy and Business Continuity Plan**

The CAPTRUST Privacy Policy and Business Continuity Disclosure/Summary have been removed from this brochure. This information is provided to clients each year together with our Annual Offer of the Form ADV Disclosure Brochures and can also be found on the CAPTRUST internet site by navigating to:

Business Continuity Plan: <https://www.captrust.com/business-continuity-plan/>

Privacy Policy: <https://www.captrust.com/privacy-policy/>

## CAPTRUST ADV Part 2 B

### Item 1 – Cover Page - Investment Committee

March 31, 2023

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

## Item 2 – Education Background and Business Experience

Michael J. Vogelzang, CFA®, Chief Investment Officer | Managing Director  
Born: 1961

### Educational Background

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

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

### Business Experience

Date	Firm	Position
10/2019 - Present	CAPTRUST	Chief Investment Officer, Managing Director
10/1997 – 10/2019	Boston Advisors, LLC	President, Chief Investment Officer

David Hood, Senior Director | Head of Due Diligence

Born: 1978

### Educational Background

David Hood 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. He has also earned his MBA from Wake Forest University in finance.

### Business Experience

Date	Firm	Position
09/2009 - Present	CAPTRUST	Senior Director, Head of Due Diligence

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

James (Jim) Underwood, CFA®, Senior Director | Portfolio Management

Born: 1972

#### Educational Background

Jim Underwood 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. He also holds the Chartered Financial Analyst (CFA®) professional designation.

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

#### Business Experience

Date	Firm	Position
02/2020 - Present	CAPTRUST	Senior Director, Portfolio Management
07/06 – 02/2020	Welch Hornsby & Welch, Inc	Chief Portfolio Strategist

Sam Kirby, CFA®, Senior Director | Head of Investment Strategists

Born: 1974

#### Educational Background

Sam Kirby 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. He also holds the Chartered Financial Analyst (CFA®) professional designation.

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

#### Business Experience

Date	Firm	Position
07/2011 - Present	CAPTRUST	Senior Director, Head of Investment Strategists

Christian Ledoux, CFA, Director | Head of Individual Securities Management

Born 1972

#### Educational Background

Christian Ledoux earned a Bachelor of Arts degree in business economics from the University of California at Santa Barbara. He also holds the Chartered Financial Analyst (CFA®) professional designation.

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

#### Business Experience

Date	Firm	Position
09/2019 - Present	Director, Head of Individual Securities Management	Director, Head of Individual Securities Management
01/2013 – 09/2019	Director Of Equity Research	Director Of Equity Research
04/2011 – 11/2012	Consultant	Consultant
From	Position	Position

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

Born: 1961

#### Educational Background

Ellen Shaer 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. She also holds the Chartered Financial Analyst (CFA®) professional designation.

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

#### Business Experience

Date	Firm	Position
09/2013 - Present	Director, Investment Strategist	Director, Investment Strategist



Matt Ogden, Director | Fixed Income Due Diligence  
Born: 1984

#### Educational Background

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

#### Business Experience

Date	Firm	Position
04/2010 - Present	CAPTRUST	Director, Fixed Income Due Diligence

Justin Pawl, Christian Ledoux, CFA®, CIAI, CFP® Principal | Financial Advisor  
Born 1972

#### Educational Background

Justin Pawl earned a Master of Science degree in biogeochemistry and a Bachelor of Arts degree in environmental science from the University of California at Santa Barbara. He also holds the Chartered Financial Analyst® (CFA®), Chartered Alternative Investment Analyst (CAIA) and The CERTIFIED FINANCIAL PLANNER™ (CFP®) professional designations.

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. To qualify for the exams, candidates must have an undergraduate degree, four years of qualified professional experience, or a combination of work and college experience that totals at least four years. Candidates must also sign a Professional Conduct Statement and a Candidate Responsibility Statement.

The Chartered Alternative Investment Analyst (CAIA) designation is granted to candidates who have completed Level I and Level II examinations which cover topics including hedge funds, private equity, alternative investments, risk management, and portfolio management. Candidates must meet minimum education and experience requirements, and designees must complete continuing education every three years.

The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation is issued by the Certified Financial Planner Board of Standards, Inc after candidates pass the CFP Certification Examination. The examination, administered in 6 hours, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real-world circumstances. In addition, certified individuals are required to complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standard of Professional Conduct. As a prerequisite for the CFP Certification Examination, candidates must hold a bachelor's degree (or higher) from an accredited college or university and have at least 6,000 hours of full-time personal financial planning experience. In addition, candidates must complete a CFP-Board registered program.

#### Business Experience

From	Firm	Position
09/2021 - Present	CAPTRUST	Investment Adviser Representative

06/2012 – 09/2021	Covenant Multi-Family Offices, LLC	Investment Adviser Representative
02/2010 – 05/2012	Evolved Alpha	Co-Founder, Portfolio Manager

### 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.

## Item 1 – Cover Page

November 4, 2022

CAPTRUST Financial Advisors  
4208 Six Forks Road, Suite 1700  
Raleigh, NC 27609  
Firm CRD #175112  
Phone: (919) 870-6822  
Toll Free: (800) 216-0645  
Fax: (919) 870-8891  
[www.captrust.com](http://www.captrust.com)

### Appendix 1 to Part 2A – CAPTRUST Wrap Fee Programs Brochure

CAPTRUST Financial Advisors, also known as CapFinancial Partners, LLC, (“CAPTRUST” or “Adviser”) is an investment adviser registered under the Investment Advisers Act of 1940. CAPTRUST was established in April 2003 and approved as a Registered Investment Adviser in September 2003.

Registration of an Investment Adviser does not imply any level of skill or training. This CAPTRUST Wrap Fee Programs Brochure (“Brochure”) provides information about the qualifications and business practices of CAPTRUST Financial Advisors. In compliance with recent regulatory requirements, we are obligated to provide clearly written, meaningful, current disclosure of our business practices, conflicts of interest and the background of our Financial Advisors and is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

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 Dept by email at [compliance@captrust.com](mailto:compliance@captrust.com).

The information in this Brochure *has not been* approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## Item 2 – Summary of Material Changes

**Item 6:** “Portfolio Manager Selection and Evaluation” has been amended to include the following disclosure under Proxy Voting: Accounts Managed By Outside Investment Managers: Occasionally CAPTRUST recommends that a client use an outside manager. Under those conditions, Clients delegate 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.

**Item 9:** “Additional Information” We replaced the references to 2020 acquisitions with the following: “Throughout the first quarter 2021, clients of Private Wealth Advisors, Inc. (“PWA”) (CRD #126927), with offices in Pittsburgh & Greensburg, PA were asked to assign their advisory agreements to CAPTRUST in connection to the acquisition of PWA assets that closed on 12/31/2020”.

In the first quarter of 2021, The CapFinancial Group, LLC, CAPTRUST’s parent company, (“CFG”) acquired the assets of Pacific Investment Consultants, a group of financial advisors formerly registered with Wells Fargo Advisors Financial Network who operated independently as Pacific Investment Consultants, with an office in Sacramento; Cammack Larhette Advisors, LLC dba, Cammack Retirement Group (CRD #140614), with offices in New York City, and Wellesley, MA; and Genovese Burford and Brothers Wealth and Retirement Plan Management, LLC (CRD #105698), with offices in Sacramento and Roseville, CA were acquired.

In the second quarter of 2021, the assets of Nachman Norwood and Parrott, Inc. (CRD #293199), with an office in Greenville, SC and Stewardship Financial Advisors, LLC (CRD #125724), with an office in Stockbridge, GA were acquired by CFG.

In the third quarter of 2021, the assets of J.H. Ellwood & Associates, Inc. (CRD #110781), with offices in Chicago, IL and Greenwood, CO; Covenant Multi-Family Offices, LLC (CRD #152651), with offices in San Antonio, Boerne and Dallas TX, and Oklahoma City, OK were acquired by CFG.

In the fourth quarter of 2021, the assets of Crescent Capital Consulting (CRD #154925), with an office in New Orleans, LA; New Market Wealth Management (CRD #171031), with an office in Irvine, CA and a financial advisor based in Nashville, TN; Portfolio Evaluations, Inc. (CRD #129123), with an office in Warren, NJ; and RINET Company, LLC (CRD #) with an office in Boston, MA were acquired by CFG.

Also, under Item 9 we added a new section entitled “Material Conflicts Regarding Private Funds”: CAPTRUST acts as subadvisor to three (3) private funds (Excelsior Funds) where two CAPTRUST Financial Advisors act as portfolio managers to the Excelsior Funds. CAPTRUST earns 50% of the management fees as compensation for subadvisory services (see Item 6 for more information).

In connection with acquisition of the assets of MRA Associates USA LLC (“MRA”), CAPTRUST acquired the interest in MRA GP, LLC (“MRA GP”) MRA GP serves as general partner or manager to a series of private funds, namely, MRA 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. In 2021, investors in the Funds consented to the assignment of both the interest in GP and investment advisory agreements. CAPTRUST does not charge an advisory fee to the Funds.

In connection with Covenant Multi-Family Offices, LLC, CAPTRUST assumed the role of subadvisor to two private funds for which SALI Fund Services acts as Investment Advisor and Fund Administrator: Covenant Global Equities

Fund Series Interests of the SALI Multi-Series Fund II 3(c)(1), LP and Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II, L.P. (collectively, the “Covenant Funds”). CAPTRUST does not charge a subadvisory fee to the Covenant Funds.

CAPTRUST and RINET Company, LLC entered into a limited (administrative) services agreement whereby CAPTRUST will assist RINET in winding down four private funds RINET manages.

CAPTRUST may provide investment recommendations and advice regarding both affiliated and non-affiliated private investment funds. CAPTRUST shall provide the fund’s offering materials at or prior to recommending the investment. Please refer to the fund’s confidential offering memorandum for applicable disclosures regarding management of the fund, its investment objective, risk factors, tax and related factors.

Despite the apparent conflict of interest with respect to private funds in which CAPTRUST has a proprietary interest, with the exception noted above regarding the Excelsior Funds, CAPTRUST does not charge advisory fees to the private affiliated funds discussed here and Clients are under no obligation to invest in any affiliated funds.

Finally, under Item 9 section “Code of Ethics”, we added the following: “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. CAPTRUST’s Clients may request a copy of the firm’s Code of Ethics by contacting the Compliance Department at [compliance@captrust.com](mailto:compliance@captrust.com) or by calling (919) 870-6822 or (800) 967-9948.”

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

This Summary of Material Changes reflects only material changes to this Brochure since our last *annual update* of this brochure which was dated March 29, 2021. 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 – Services, Fees and Compensation

### Types of Advisory Services

CAPTRUST wrap fee programs (“Wrap Fee Programs” or “Program”) are designed to assist clients, both wealthy individuals and institutions (such as corporations and other business entities, trusts, estates, and charitable organizations) (each a “Client”), to identify their investment needs and to obtain professional asset [portfolio] management for a convenient single “wrap” fee (“Wrap Fee”). Wrap Fees include both asset/portfolio management and the cost of execution (ticket charges). CAPTRUST is the “Program Sponsor” of Wrap Fee Program(s) discussed in this Brochure.

Other investment advisory services include portfolio management on a non-wrap fee basis - where investment advisory/portfolio management fees are separate from (i.e., do not include) so that the cost of each transaction (i.e., ticket charges) are born separately by the Client; Business, Financial and/or Estate Planning; Institutional and Retirement Plan Advisory and/or Consulting Services; Participant Advisory Services and other services disclosed separately. Disclosure brochures for all CAPTRUST advisory services can be found by navigating to: <https://www.captrust.com/important-disclosures/> or you may email [compliance@captrust.com](mailto:compliance@captrust.com), or contact your CAPTRUST Financial Advisor for information regarding these services.

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” or “TD Ameritrade”) to provide execution, brokerage and custodial account services to CAPTRUST clients. Regardless of which brokerage platform or Program you select, you will retain the right to: (1) withdraw securities or cash; (2) vote on shareholder proposals of beneficially owned security issues, or delegate the authority to vote on shareholder proposals to CAPTRUST or to another person; (3) be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders; and (4) proceed directly as a security holder against the issuer of any security in your Account.

### Portfolio Management Services and Wrap Programs

Portfolio Management Account or “PMA,” CAPTRUST FFA accounts (formerly Fountain Financial Associates Wrap-Fee advisory services accounts, referred to here as “FFA”) or Wealth Advisory Services (“WAS”): CAPTRUST utilizes both a risk-based and outcomes-based approach to asset allocation broadly defining the following asset classes: US Equities, International Equities, Fixed Income, Alternative Investments, Commodities and Real Estate.

Client Investment Process: The CAPTRUST Financial Advisor (“FA”) assists the Client in determining his/her Investment Goals and Objectives (“IGO”) before selecting and recommending an investment style, allocation and/or a diversified portfolio of investments, including investment vehicle(s) and/or Independent Investment Manager(s) (“Investment Manager”) appropriate for the Client. This is done both initially and on an on-going basis. The Financial Advisor collects financial and personal information from the Client, assists the Client in establishing his/her Client’s IGO and strategies, and evaluates the

suitability of products for the Client. The Financial Advisor recommends to the Client, Investments and/or Investment Manager(s). See also Item 6 for the investment/manager selection and portfolio management process.

The Client and CAPTRUST will enter into a CAPTRUST Investment Advisory Agreement (“Agreement” or “IAA”) which will describe CAPTRUST’s fee schedule and the services provided on a “wrap-fee” basis.

PMA Portfolio Managers are defined as: 1) The Investment Committee described in Form ADV Part 2B which is incorporated into the CAPTRUST Form ADV Part 2 for Wealth Advisory Services or 2) the Client’s CAPTRUST Financial Advisor (“FA”) who determines the investments in the Client’s account.

CAPTRUST Wrap-Fee Program Services include:

- Establishing investment strategies through the documentation of a Client’s IGO as outlined by the Client and his/her Financial Advisor.
- Determining asset allocation strategies to meet the financial goals of the Client.
- Determining specific investment style allocations.
- Identifying tax optimization strategies.
- Researching and evaluating investment management firms, their mutual funds, exchange traded funds (ETFs), collective trusts, and other investment vehicles appropriate for the Client’s Investment Portfolio.
- Identifying specific independent, unaffiliated money management firms appropriate for the Client’s Investment Portfolio.
- Hiring independent money management firm(s) on behalf of the Client.
- Reporting and reviewing the performance of money management firms and other investment vehicles.
- Performing quarterly investment reviews.
- Periodic rebalancing and investment plan re-allocating Client’s Investment Portfolio.
- Acting as the Portfolio (Investment) Manager for the CAPTRUST Wrap Programs.
- Providing investment consulting services not related to managed account services.

PMA or WAS accounts can be set up on either a discretionary basis or a non-discretionary basis. Discretionary PMAs and FFAs may be managed either by the CAPTRUST Investment Committee or by your CAPTRUST Financial Advisor acting as portfolio manager (referred to here as “Portfolio Manager”). When managing portfolios on a discretionary basis, your Portfolio Manager makes changes in your account, including any of the investment selections (for example, opened-end or closed-end mutual funds/ETFs, stocks, bonds or cash) or allocations to a CAPTRUST managed investment model allocation, *without obtaining your consent prior to making those changes.*

For example, the Portfolio Manager may determine changes to the portfolio are advisable, if an investment selection no longer meets the Client’s Investment Goals and Objectives, or if a mutual fund (“mutual fund” or “Fund”) experiences a fundamental change in management which would mandate a replacement of that fund, or, it is otherwise in the Client’s best interest to make such a change. Under those conditions, the Portfolio Manager may replace an investment selection without consulting with the Client first.

For *non-discretionary* PMAs or any other nondiscretionary Wrap-Fee account, the Portfolio Manager *must be the Client’s Financial Advisor* (as opposed to the Investment Committee) since the FA must first make a



recommendation before implementing changes in the Client's Investment Portfolio(s). In this case, before changing any of the investment selections, the FA would obtain Client's consent.

Regardless of whether the account being managed under a CAPTRUST Wrap-Fee program agreement is discretionary or nondiscretionary, the Client can elect to change investment selection(s) *or make reasonable modifications* to his/her investment portfolio at any time by sending written notice to the Financial Advisor.

CAPTRUST clients may have more than one Wrap-Fee Account such as a nondiscretionary PMA where the FA is the Portfolio Manager, and a PMA where the Investment Committee acts as Portfolio Manager and allocates to strategic asset allocated investment models.

Fees for PMA, FFA or WAS Services: The maximum annual fees for CAPTRUST's Wrap-Fee advisory services:

Assets Under Management	Maximum Fee Rate
First \$1mill	Up to 2.25%
Next \$4mil	Up to 1.75%
Above \$5mill	Up to 1.25%

### **SMA (Separately Managed Account) Wrap Program**

Description of Program: The minimum initial investment for participation in this CAPTRUST Program is typically \$100,000 or more and varies from one Investment Manager to the next. Each account in the SMA Program is a discretionary account where each selected SMA Manager implements changes to the Client's Investment Portfolio without obtaining the Client's prior consent to those changes.

CAPTRUST has limited investment discretion with respect to the Client's securities in the SMA Program. Rather, the SMA Manager(s) selected by the Client is granted investment discretion by the Client and exercise this authority in the day-to-day portfolio management of the Client's account(s).

In accordance with the Client's Investment Goals and Objectives and the asset classes in their Investment Portfolio, CAPTRUST recommends certain SMA Managers for each asset class and based on an SMA Manager's investment style. Under this model, CAPTRUST utilizes strategic asset allocation and investment manager recommendations based on CAPTRUST's research and forward-looking views. Applying its strategic investment models that vary according to varying risk levels, CAPTRUST recommends an SMA Manager by asset class. The Client, however, selects the particular SMA Manager(s) for its accounts.

The Client can elect to change SMA Manager(s) at any time. CAPTRUST does have the discretion to change the Client's SMA Manager(s) but, an SMA [Program] Manager will generally not be removed or replaced by CAPTRUST without the Client's knowledge. However, if the Client is not otherwise available and CAPTRUST's Investment Committee or the Client's CAPTRUST FA deems it advisable to do so, CAPTRUST will exercise the right to remove or replace an SMA Manager without the Client's prior consent. In such a case, CAPTRUST will promptly advise the Client of each such change. Examples would be where the Client's financial circumstances change or economic or market conditions change, or, if in CAPTRUST's opinion, the SMA Manager(s) selected no longer meets the Client's IGO, or no longer manages according to its stated investment style parameters, or there is a fundamental change in the

management of the SMA Manager which would mandate a switch. The Client may override CAPTRUST's suggestions as to SMA Manager(s) or investment vehicles, in whole or in part.

**Investments/Strategies:** Most SMA Managers in the SMA Program utilize long-only equity and/or fixed income strategies. Some SMA Managers sell covered calls. Occasionally, we recommend an SMA Manager for the SMA Program that shorts securities, uses options, futures, and other derivatives/securities, and/or employ more sophisticated trading techniques, but only if deemed suitable for a particular Client who is determined to be a sophisticated investor.

**SMA Investment Manager Reviews:** Performance of SMA Managers is monitored on a quarterly basis by members of the CAPTRUST Investment Group ("IG"). IG monitors each recommended SMA Manager in the SMA Program for performance against its peers and the stated benchmark, and for adherence to its stated strategy. IG requests quarterly due diligence questionnaires from each SMA Manager for consideration by IG in its analyses.

Performance of SMAs is calculated from several different sources. The actual performance of an individual SMA account that is reported to a Client is calculated by CAPTRUST's performance reporting team using Advent's Black Diamond system.

Fees for SMA Wrap-Fee Services: The maximum annual fees for CAPTRUST's SMA Wrap-Fee advisory services:

#### SMA ACCOUNTS – Fixed Income

Assets under management	Manager & Platform Fee Minimum	Manager & Platform Fee Maximum	CAPTRUST Maximum Fee
First \$1mill	0.35%	0.65%	Up to 2.25%
Next \$4mill	0.25%	0.55%	Up to 1.75%
Over \$5mill	0.20%	0.50%	Up to 1.25%

#### SMA ACCOUNTS – Equity

Assets under management	Manager & Platform Fee Minimum	Manager & Platform Fee Maximum	CAPTRUST Maximum Fee
First \$1mill	0.60%	1.00%	Up to 2.25%
Next \$4mill	0.45%	0.85%	Up to 1.75%
Over \$5mill	0.40%	0.80%	Up to 1.25%

#### Negotiability of Fees:

CAPTRUST Fees and services are negotiable and may be reduced or 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.).

### Other Important Factors to Consider:

Wrap Fees paid to CAPTRUST are exclusive of and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials).

Additionally, Clients will pay certain fees to their custodian, such as margin interest, check fees, fees for trades executed away from custodian, odd lot differentials, mark-up/mark-downs (spreads) and other similar types of fees, as more fully described in CAPTRUST Wealth Brochure, Form ADV Part 2A (found here: <https://www.captrust.com/important-disclosures/>).

Costs and fees which CAPTRUST *does not have to pay* to third parties in connection with transaction and execution expenses are retained by CAPTRUST, therefore CAPTRUST has an incentive to limit trade securities in the accounts of clients in the Program.

Schwab has eliminated commissions for online trades of equities, ETFs and options (subject to \$0.65 per contract fee). Similarly, Fidelity, TD Ameritrade and Pershing have also eliminated commissions on online trades of equities and ETFs. This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to the custodian of your account. We encourage you to review your custodian's pricing to compare the total costs of entering into a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately. If your account is with Schwab, to see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at [www.schwab.com/](http://www.schwab.com/). [Pricing Guide for Advisor Services | Charles Schwab](#).

The client should review all fees charged by funds, CAPTRUST and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients participating in a CAPTRUST Wrap-Fee account may pay higher or lower fees than clients purchasing such services separately, depending on the cost of services if provided separately and the level of trading in a particular client's account. Please contact [compliance@captrust.com](mailto:compliance@captrust.com) with any questions you may have on this or any other information in this brochure.

## Item 5 – Account Requirements and Types of Clients

CAPTRUST serves individuals, high net worth individuals, pension and profit-sharing plans, corporations, and charitable organizations.

### Types of Clients

CAPTRUST provides investment advisory services to Individuals, Trust, Estates and charitable organizations, foundations, endowments, corporations or other businesses not listed here.

### Minimums

In general, CAPTRUST maintains a minimum account size requirement for its PMA Program 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. CAPTRUST does not generally impose a minimum

portfolio value for participation in the FFA or WAS Wrap Fee Wrap Program or a minimum fee.

**SMA Wrap Accounts:** The minimum initial investment for participation in this CAPTRUST Program is typically \$100,000 or more and varies from one SMA Investment Manager to the next. Please review the SMA Account Manager's Form ADV Part 2 Disclosure Brochure for a detailed disclosure of the SMA manager fees, services and minimums.

## Item 6 – Portfolio Manager Selection and Evaluation

PMA, FFA and WAS Wrap Program accounts are designed primarily to simplify for clients the payment of management fees and brokerage expenses. Portfolio Managers for those accounts can be either the CAPTRUST Investment Committee ("IC") or your CAPTRUST Financial Advisor.

The IC manages several risk-based and outcomes-based model strategies using, individual equities, bonds, independent third-party mutual funds, ETFs and alternatives, such as registered closed-end funds. Mutual funds and ETFs are managed by third party Investment Managers. CAPTRUST evaluates Investment Managers' investment strategies including mutual funds, indexes, or other managed investment vehicles that may be included in one or more of CAPTRUST's model strategies to which a PMA, FFA or WAS account may be allocated. IC employs a multi-step process in screening the underlying Investment Managers to determine if they are suitable for its managed account programs. Ongoing due diligence is performed on the underlying managers, including quarterly due diligence questionnaires and analysis. The IC monitors performance of underlying managers against appropriate benchmarks and IC uses its discretion to replace underlying managers who do not meet the IC rigorous standards.

## 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, CAPTRUST entered into subadvisory agreement(s) between CAPTRUST and three private funds (Excelsior Funds) where two CAPTRUST Financial Advisors act as portfolio managers to the Excelsior Funds. Since the management fee structure *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 0.0287% of all client assets.

## Methods of Analysis, Investment Strategies and Risk of Loss

CAPTRUST's investment strategies begins with an understanding of a Client's financial needs, goals and objectives. Financial Advisors use demographic and financial information provided by the Client to assess the Client's risk profile and investment objectives in determining an appropriate strategy 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.

CAPTRUST utilizes both a risk-based and outcomes-based approach to asset allocation. The following asset classes: US Equities, International Equities, Fixed Income, Alternative Investments, Commodities and Real Estate are allocated amongst client portfolios.

CAPTRUST Financial Advisors may recommend a combination of our risk-based and outcomes-based models managed by CAPTRUST Investment Committee.

**CAPTRUST Investment Committee:** Certain members of CAPTRUST's Investment Group ("IG") are also members of the "Investment Committee." CAPTRUST IG researches Investment Managers using proprietary screening and evaluation of registered investment companies (such as mutual funds) and their portfolio managers, as well as other managed investment vehicles and Separate Account Managers (collectively referred to as "Investment Managers"). CAPTRUST employs a multi-step process in screening the Investment Managers to determine if they are suitable for its managed account programs. Each Investment Manager is evaluated on the basis of extensive information provided by that Investment Manager, including descriptions of its investment process, investment strategies employed, operational structure, and its Form ADV, Part 2 and/or its mutual fund prospectus. CAPTRUST then attempts to verify that information by comparing it to other data from publicly available data collection sources. During this process, CAPTRUST also employs proprietary technical quantitative and qualitative analyses.

CAPTRUST also evaluates certain investment strategies including mutual funds, indexes, or other managed investment vehicles which may be included in an overall asset allocation for Wealth Clients. CAPTRUST requests that Investment Managers adhere to Global Investment Performance Standards (GIPS) issued by the CFA Institute and every attempt is made to obtain performance information which is calculated on a uniform and consistent basis. In most cases, performance data approved by CAPTRUST for Client viewing will have been calculated based on a uniform and consistent standard. However, some Investment Managers may provide information which does not entirely conform to these uniform standards. In those instances, the affected performance information will be specifically identified as having not been calculated based on the uniform standard normally used. In those cases, the affected performance information will be specifically identified as having not been calculated based on the uniform standard normally used. CAPTRUST uses industry standards to measure the performance of the SMA Program Managers the firm recommends and selects; however, CAPTRUST does not use a third-party auditor to review and verify the performance of SMA Managers.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with registered investment company products, please refer to the prospectuses for additional details about these risks. 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 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 PMA model portfolios.
- **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:** The probability of loss due to heavy exposure to a single investment, equity or issuer. Some funds utilized in risk-based asset allocation [CAPTRUST model] strategies 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 portfolios 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 call (919) 870-6822 or send a message to [compliance@captrust.com](mailto:compliance@captrust.com).

### **Voting Client Securities**

In general, CAPTRUST Wealth Clients delegate the authority to vote their proxies to CAPTRUST in their IAA. 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 delegate 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  
Compliance Department  
4208 Six Forks Road  
Suite 1700  
Raleigh, NC, 27609

## **Item 7 – Client Information Provided to Portfolio Managers**

Under the CAPTRUST PMA, FFA and WAS CAPTRUST is both the Client's investment adviser and Portfolio Manager. Therefore, your Portfolio Manager has the same access to your information as CAPTRUST. Your information includes, among other things, income, net worth, risk tolerance, and investment objectives. Your portfolio manager uses this information to determine the appropriate asset allocation and manage your investments. When you update your information with CAPTRUST, your Portfolio Manager will have immediate access to the same updated information.

Under CAPTRUST SMA Program, CAPTRUST is the Client's investment adviser and the SMA Manager is the Client's Portfolio Manager. SMA Portfolio Managers do not have the same access to your personal information as CAPTRUST. Your personal information such as, income, net worth, risk tolerance, and investment objectives is not communicated to your portfolio manager, but is utilized by CAPTRUST to determine the appropriate asset allocation and make recommendations regarding SMA manager selection.

## **Item 8 – Client Contact with Portfolio Managers**

Under the PMA Program, the Portfolio Manager is either the CAPTRUST Financial Advisor or a member(s) of CAPTRUST's Investment Committee. When the Portfolio Manager in the PMA, FFA or WAS Programs is a CAPTRUST Financial Advisor or the CAPTRUST Investment Committee, there are no specific restrictions on direct client communication with Portfolio Managers. Clients typically communicate with their Financial Advisor at CAPTRUST who acts as the relationship manager and/or the Client Management Consultant who acts in a supporting role to the Financial Advisor. The Client is required to inform CAPTRUST and the Financial Advisor, at least annually, of any changes to their financial condition or of any additional investment restrictions and/or modifications to existing investment restrictions the Client wishes to impose.

Under the SMA Program, Clients generally do not have direct contact with third party Separate Account Managers. CAPTRUST will provide initial and ongoing communication with clients regarding selected Managers and will assist clients in understanding the management style and other information regarding the Managers.

In general, Clients are encouraged to direct questions about their portfolio or account(s) to his/her CAPTRUST Financial Advisor ("FA"), or to his/her CAPTRUST Client Management Consultant ("CMC"). However, Clients may direct questions to members of the Investment Committee whose names are included Form ADV Part 2B which is incorporated into the Form ADV Part 2 Wealth Brochure.

## Item 9 – Additional Information

### 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 Investment Committee, nor its Management Persons have any disciplinary disclosure required. 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.

### Other Financial Industry Activities and Affiliations

CAPTRUST, an investment adviser registered under the Investment Advisers Act of 1940, is affiliated by common ownership with CapFinancial Securities, LLC ("CFS") a member of the FINRA and SIPC. Pensionmark Financial Group, LLC ("PFG,"), an investment adviser registered under the Investment Advisers Act of 1940, 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. These affiliates are not involved in the delivery of any of the services described in this Brochure.

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 Clients for whom retirement plan administrative services were provided by FORS ("Freedom401(k) Clients"). All but 15 retirement plan clients entered into new plan administrative services agreements with an independent *unaffiliated* service provider called Milliman. Freedom401k Clients may be paying more or less for recordkeeping services than other Plan Clients utilizing unaffiliated record keepers.

Over the past several years, The CapFinancial Group, LLC (CAPTRUST's parent company) acquired the assets of a number of registered investment advisers across the United States. In every case, clients of those advisers have been asked to assign their advisory agreements to CAPTRUST. These firms are disclosed as affiliated entities until that firm withdraws registration as an investment adviser.

Throughout the first quarter 2021, clients of Private Wealth Advisors, Inc. ("PWA") (CRD #126927), with offices in Pittsburgh & Greensburg, PA were asked to assign their advisory agreements to CAPTRUST in connection to the acquisition of PWA assets that closed on 12/31/2020.

In the first quarter of 2021, The CapFinancial Group, LLC, CAPTRUST's parent company, ("CFG") acquired the assets of Pacific Investment Consultants, a group of financial advisors formerly registered with Wells Fargo Advisors Financial Network who operated independently as Pacific Investment Consultants, with an office in Sacramento; Cammack Larhette Advisors, LLC dba, Cammack Retirement Group (CRD #140614), with offices in New York City, and Wellesley, MA; and Genovese Burford and Brothers Wealth and Retirement Plan Management, LLC (CRD #105698), with offices in Sacramento and Roseville, CA were acquired.

In the second quarter of 2021, the assets of Nachman Norwood and Parrott, Inc. (CRD #293199), with an office in Greenville, SC and Stewardship Financial Advisors, LLC (CRD #125724), with an office in Stockbridge, GA were acquired by CFG.



In the third quarter of 2021, the assets of J.H. Ellwood & Associates, Inc. (CRD #110781), with offices in Chicago, IL and Greenwood, CO; Covenant Multi-Family Offices, LLC (CRD #152651), with offices in San Antonio, Boerne and Dallas TX, and Oklahoma City, OK were acquired by CFG.

In the fourth quarter of 2021, the assets of Crescent Capital Consulting (CRD #154925), with an office in New Orleans, LA; New Market Wealth Management (CRD #171031), with an office in Irvine, CA and a financial advisor based in Nashville, TN; Portfolio Evaluations, Inc. (CRD #129123), with an office in Warren, NJ; and RINET Company, LLC (CRD #) with an office in Boston, MA were acquired by CFG.

### Material Conflicts Regarding Private Funds

CAPTRUST acts as subadvisor to three (3) private funds (Excelsior Funds) where two CAPTRUST Financial Advisors act as portfolio managers to the Excelsior Funds. CAPTRUST earns 50% of the management fees as compensation for subadvisory services (see Item 6 for more information).

In connection with acquisition of the assets of MRA Associates USA LLC ("MRA"), CAPTRUST acquired the interest in MRA GP, LLC ("MRA GP") MRA GP serves as general partner or manager to a series of private funds, namely, MRA 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. In 2021, investors in the Funds consented to the assignment of both the interest in GP and investment advisory agreements. CAPTRUST does not charge an advisory fee to the Funds.

In connection with Covenant Multi-Family Offices, LLC, CAPTRUST assumed the role of subadvisor to two private funds for which SALI Fund Services acts as Investment Advisor and Fund Administrator: Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II 3(c)(1), LP and Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II, L.P. (collectively, the "Covenant Funds"). CAPTRUST does not charge a subadvisory fee to the Covenant Funds.

CAPTRUST and RINET Company, LLC entered into a limited (administrative) services agreement whereby CAPTRUST will assist RINET in winding down four private funds RINET manages.

CAPTRUST may provide investment recommendations and advice regarding both affiliated and non-affiliated private investment funds. CAPTRUST shall provide the fund's offering materials at or prior to recommending the investment. Please refer to the fund's confidential offering memorandum for applicable disclosures regarding management of the fund, its investment objective, risk factors, tax and related factors.

Despite the apparent conflict of interest with respect to private funds in which CAPTRUST has a proprietary interest, with the exception noted above regarding the Excelsior Funds, CAPTRUST does not charge advisory fees to the private affiliated funds discussed here and Clients are under no obligation to invest in any affiliated funds.

### 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 of Ethics. All supervised persons at CAPTRUST must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics. 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) limits on political contributions; and (vi) 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. 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 of Ethics, 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 of Ethics, requires pre-approval of specific types of transactions, and depending on the transaction, may restrict 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 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.

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

## Client Referrals and Other Compensation

CAPTRUST, in some instances, may compensate third-party solicitors (or "Solicitor") for Client referrals. In order for a Solicitor 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)-1 of the Investment Advisers Act of 1940. In general, a Solicitor is compensated by a percentage of the advisory fee collected for a specified period of time (as detailed in the Referral Agreement). Clients pay 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.

Clients (or prospective clients) who are being referred to CAPTRUST, either by means of a paid "endorsement" or in connection with a paid "testimonial" by a current client, must be made aware of the arrangement *at the time the testimonial or endorsement is disseminated* in a **clear and prominent manner**. The disclosure of the arrangement must explain whether the "testimonial" was given by a current client or investor; or if the "endorsement" was given by a person other than a current client or investor; explain whether cash or non-cash compensation was provided for the **testimonial** or **endorsement**; and if applicable, include brief statement of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the investment adviser's relationship with such person.

In cases where a referral takes place *in person*, these required disclosures will be delivered in writing *at the time the testimonial or endorsement is being made*. 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.