

# Capital Analysts

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Capital Analysts, Inc.  
*Registered Investment Advisor*

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Wyncote, PA 19095  
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[www.capitalanalysts.com](http://www.capitalanalysts.com)  
03/13



Item 1– Cover Page



**Wrap Fee Program Brochure**

Capital Analysts, Inc.  
218 Glenside Avenue  
Wyncote, PA 19095  
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This Brochure provides information about the qualifications and business practices of Capital Analysts, Inc. (Capital Analysts). If you have any questions about the contents of this Brochure, please contact us at 800-242-1421. 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.

Capital Analysts is registered with the United States Securities and Exchange Commission as a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information from which you determine to hire or retain an Adviser.

Additional information about Capital Analysts is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This section provides us the opportunity to highlight for you the material changes in our investment advisory services and operations since our last Form ADV 2A notice to you in June 2012.

There are no material changes to report.

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## Item 4: Service, Fees and Compensation

### General Program Description

This brochure describes the Wrap Fee Programs that will be offered by Capital Analysts. Capital Analysts offers other non-wrap fee programs which are described in a separate Investment Advisory Disclosure Brochure (Form ADV 2A), a copy of which you may request from your financial advisor.

On June 1, 2012, CAI Acquisition, Inc. acquired the assets of Capital Analysts Incorporated, a former registered investment adviser, and changed its name from CAI Acquisition, Inc. to Capital Analysts, Inc. The financial advisors and clients of Capital Analysts Incorporated are now financial advisors and clients of Capital Analysts, Inc. Capital Analysts Inc. was granted registration as a registered investment adviser on April 17, 2012.

Capital Analysts has a national reach of over 200 independent financial advisors, managing or advising over \$2.8 billion in assets. The Capital Analyst Investment Management and Research Team manages the model portfolios that are available through Capital Analysts. Capital Analysts and its affiliate, Lincoln Investment, are not affiliated with any company that issues or sponsors securities or insurance products, and, therefore, this allows your financial advisor to provide truly independent and objective investment advice when making recommendations to you. There is, of course, always the potential for financial conflicts of interest. These are described later in this Brochure.

**A Wrap Fee Program is an investment advisory program in which you pay one fee for both investment advisory services and the transaction costs in your account. Capital Analysts' Wrap Fee Programs are offered on Pershing LLC's brokerage platforms where exchange traded securities, such as, stocks, bonds, mutual funds and exchange traded funds (ETFs), all of which have trading costs associated with them, are offered.**

**The Wrap Fee is not based directly upon the actual transaction or execution costs for the transactions within your account. Depending on the underlying investments in your Wrap Fee Program and how much trading activity occurs, you may pay more or less than if you chose another Capital Analysts advisory program that does not have a wrap fee, or if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all transaction charges) Your financial advisor will review your investment options with you to determine the best offering for you. You could purchase services similar to those offered in Capital Analysts' Wrap Fee Programs from another unaffiliated financial services provider.**

Capital Analysts offers the following Wrap Fee Programs to be managed by Capital Analysts' Investment Management and Research Team:

CAAMS Focus	CAAMS ETF
CAAMS Complete	CAAMS Stock
CAAMS Asset Builder	CAAMS UMA

All of Capital Analysts' Wrap Account program fees are comprised of an Investment Advisory Fee and a Management Fee.

The Investment Advisory Fee is the fee paid by you for your financial advisor for his or her role in assisting you in the determination of the appropriate investment advisory program for you, ensuring that the program continues to meet your stated objectives and needs, and providing ongoing monitoring and reports to assist you in evaluating the effectiveness of the advisory program to meet your needs and objectives. This fee shall never exceed 1.50% annually.

The Management Fee is the fee paid to Capital Analysts for the asset management in accordance with the CAAMS program selected by you. The Management Fee also covers all transaction, clearing and custody costs for your account. The Management fee varies depending on the CAAMS program selected. See below for the Management Fees for each Wrap Fee Program. Unless otherwise stated, all fees are negotiable at Capital Analysts' sole discretion. The Management Fee schedules reflected below are graduated fee schedules applied to your assets under management. They do not represent breakpoints.

### **Specific Wrap Fee Program Details**

**CAAMS Focus:** An open architecture, discretionary, fee-based program using no-load and load waived mutual funds, individual securities and exchange-traded funds (ETFs). Services include: determining your risk profile and objectives; creating an asset allocation policy; providing a proposal to diversify among asset classes and styles; reviewing the portfolio quarterly (or as directed) for potential rebalancing; and providing quarterly portfolio statements that will supplement the information reported to you on your custodian statements issued by Pershing LLC; and, at your request, provide periodic performance reporting, market commentary reports and proxy voting on your behalf

Depending on the portfolio selected, day to day investment decisions related to the management of your CAAMS Focus account is performed on a fully discretionary basis by members of the Capital Analysts' Investment Management and Research Team or an approved select group of financial advisors within Capital Analysts. All proxy voting is done by the Investment Management and Research Team. For more information regarding Capital Analysts' proxy voting policy, please refer to Item 6 of this Brochure.

CAAMS Focus is offered in three risk level portfolios:

- Model 1: Conservative
- Model 2: Balanced
- Model 3: Growth

The Annual Management Fee is 0.20% of the Assets Under Management.

Minimum Account Size is \$50,000. The minimum Management Fee is \$62.50 per quarter. Capital Analysts reserves the right to charge \$100 to rebalance an account if necessitated by a subsequent large withdrawal or deposit.

**CAAMS Complete:** Managed by Capital Analysts' Investment Management and Research Team, CAAMS Complete is a discretionary program offering you a choice of taxable and tax-deferred portfolios with automatic rebalancing. Services include: determining client risk profile and objectives; creating an asset allocation policy; diversifying among asset and style classes, market capitalization and investment styles; selecting appropriate portfolios based on your client profile and tax preference; re-balancing and re-allocating according to pre-determined tolerance ranges and changes in market conditions; providing quarterly portfolio statements that will supplement the information reported to you on your custodian statements issued by Pershing LLC; and, at your request, provide periodic performance reporting, market commentary reports and proxy voting on your behalf Custom portfolios are also available.

CAAMS Complete currently offers the following risk/style portfolios:

Custom Income Portfolio*	Capital Growth
Current Income	Aggressive Growth
Capital Preservation	High Equity
Conservative Growth & Income	Alternative Investments
Balanced	Yield
<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$500,000	0.25%
Next \$500,000	0.20%
Next \$1,000,000	0.15%
Over \$2,000,000	0.10%

Minimum Account Size is \$50,000; \* Minimum Account Size for the Custom Income Portfolio is \$250,000

The minimum Management Fee is \$62.50 per quarter. Capital Analysts reserves the right to charge \$100 to rebalance an account if necessitated by a subsequent large withdrawal

**CAAMS AssetBuilder:** Managed by Capital Analysts' Investment Management and Research Team, CAAMS AssetBuilder is a discretionary program offering you a choice of risk levels with automatic rebalancing. Services include: determining your risk profile and objectives; creating an asset allocation policy, diversifying your portfolio among asset and style classes, re-balancing and re-allocating according to pre-determined risk tolerance ranges and changes in market conditions; providing quarterly portfolio statements that will supplement the information reported to you on your custodian statements issued by Pershing LLC; and, at your request, provide periodic performance reporting, market commentary reports and proxy voting on your behalf.

CAAMS AssetBuilder is offered in the following risk level portfolios:

Conservative  
Moderate  
Aggressive

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$500,000	0.25%
Next \$500,000	0.20%
Next \$1,000,000	0.15%
Over \$2,000,000	0.10%

Minimum account size is \$15,000. The minimum Management Fee is \$37.50 per quarter. Capital Analysts reserves the right to charge \$100 to rebalance an account if necessitated by a subsequent large withdrawal or deposit.

**CAAMS ETF Portfolios:** Managed by Capital Analysts' Investment Management and Research Team, CAAMS ETF is a discretionary program that employs an investment approach with asset allocation using select exchange traded funds (ETFs) and mutual funds representing multiple asset classes and styles. Services include: determining client risk profile and objectives; creating an asset allocation policy, diversifying among asset and style classes, market capitalization and investment styles; selecting appropriate portfolios based on your client profile and tax preference, re-balancing and re-allocating according to pre-determined tolerance ranges and changes in market conditions; and providing quarterly portfolio statements that will supplement the information reported to you on your custodian statements issued by Pershing LLC; and, at your request, provide periodic performance reporting, market commentary reports and proxy voting on your behalf. Custom portfolios are also available.

CAAMS ETF is offered in the following risk/style portfolios:

Current Income	Capital Growth
Capital Preservation	Aggressive Growth
Conservative Growth & Income	High Equity
Balanced	International

<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$500,000	0.30%
Next \$500,000	0.25%
Next \$1,000,000	0.20%
Over \$2,000,000	0.15%

Minimum Account Size is \$50,000

The minimum Management Fee is \$62.50 per quarter.

**CAAMS Stock:** Managed by Capital Analysts' Investment Management and Research Team, CAAMS Stock is a discretionary program offering core multi-cap, multi-style equity portfolios diversified by individual securities. The Team will also work with the client and the financial advisor to identify tax lot harvesting opportunities. That is, at the end of the year we will assist the client in identifying and realizing tax losses, if needed, and then purchase back the positions within 30 days. There is a choice of several



portfolios with varying objectives. Services include: determining your client risk profile and objectives; creating an asset allocation policy; diversifying among asset classes and industry groups; selecting appropriate portfolios based on client profile and tax preference; and providing quarterly portfolio statements that will supplement the information reported to you on your custodian statements issued by Pershing LLC; and, at your request, provide periodic performance reporting, market commentary reports and proxy voting on your behalf

CAAMS Stock is offered in six different risk/objective portfolios:

Core Equity	Core Equity Plus
Global Equity	Capital Appreciation
Equity Income	Dividend Growth
<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$500,000	0.45%
Next \$500,000	0.35%
Next \$1,000,000	0.25%
Over \$2,000,000	0.20%

Minimum Account Size is \$100,000. The minimum Management Fee is \$62.50 per quarter.

**CAAMS Unified Management Account (UMA):** Managed by Capital Analysts' Investment Management and Research Team, CAAMS UMA is a discretionary program using both active and passive investment approaches, combining individual securities; exchange traded funds (ETFs) and mutual funds. Services include: determining your client risk profile and objectives; creating an asset allocation policy, diversifying among asset classes and industry groups, market capitalization and investment styles; selecting appropriate portfolios based on your client profile and tax preference; and providing quarterly portfolio statements that will supplement the information reported to you on your custodian statements issued by Pershing LLC; and, provide periodic performance reporting, market commentary reports and proxy voting on your behalf.

Custom portfolios are also available.

CAAMS UMA is offered in the following risk level portfolios:

Conservative	Aggressive Growth
Balanced	High Equity
Growth	
<u>Assets Under Management</u>	<u>Annual Management Fee</u>
First \$500,000	0.45%
Next \$500,000	0.35%
Next \$1,000,000	0.25%
Over \$2,000,000	0.20%

Minimum Account Size is \$100,000.

The minimum Management Fee is \$62.50 per quarter.

The wrap fee programs described above may cost more or less than if you were to purchase such services separately. Certain factors, such as trading frequency can impact the cost effectiveness of such wrap fee programs. Generally, in an account where there is infrequent trading, a regular brokerage account incurring transaction fees along with the separate purchase of such investment advice for a fee may be less expensive. As your financial advisor shares in the total fee assessed for the Wrap Fee Program, he/she may have an incentive to recommend a Wrap Fee Program in lieu of other investment advisory services.

Should you transfer into the Wrap Fee account security holdings that will require liquidation, you may incur one-time ticket charges, as listed below, for liquidating these positions.

Stocks: \$19.95

Mutual Funds: \$15.00

Fixed Income: \$29.95

Options: \$29.95

You are responsible to notify your financial advisor of any changes in your financial situation or investment objectives or to give any investment restrictions that you wish to impose so that your financial advisor can suggest the appropriate advisory service for you. If you wish to impose investment restrictions, Capital Analysts' programs may not be the appropriate advisory service for you as they may not be able to accommodate your investment restrictions. For all CAAMS Wrap Fee Programs, fees are billed on a quarterly basis. In your Advisory Services Agreement, you give Capital Analysts authorization to instruct the account custodian to directly debit fees owed to Capital Analysts from your account. Fees may be deducted from cash holdings or by liquidating assets held in the account at the discretion of Capital Analysts. Fees are taken in advance or arrears, as indicated in your agreement with Capital Analysts and are based on the market value of all assets held within the account (including cash and cash equivalents) on the last business day of the calendar quarter. Accounts initiated during a calendar quarter will be charged a prorated fee based on the number of calendar days left in the quarter. For advisory services terminated during the calendar quarter, any prepaid, unearned fees will be refunded on a prorata basis, and any earned, unpaid fees will be due and payable on a prorata basis. Advisory fees may be prorated for each capital contribution and withdrawal of \$100 or more made during the applicable calendar quarter. Account fees and/or method of calculation may be changed with thirty days written notice to you by Capital Analysts.

**Other Fees (i.e., Custodial, Brokerage, etc.)**

Capital Analysts' fees will cover your brokerage commissions, ticket charges, clearing costs and custodial fees. You will, however, be responsible for other administrative charges that may be imposed by custodians, or the clearing firm, such as, wire transfer and electronic fund fees, statement delivery

charges, and other fees and taxes on brokerage accounts and securities transactions. For information on the fees applicable to wrap fee accounts held at Pershing LLC, please ask your financial advisor.

In addition to Capital Analysts' Wrap Fee paid by you, you may incur additional fees and costs: You should consider the total cost to your portfolio, as cost will impact the overall performance of your portfolio.

**Internal Expenses.** Internal management fees or other expenses charged by the mutual fund, exchange traded fund (ETF) or sub-account of a variable annuity (also known as the internal expense) can affect the performance of your portfolio. The sponsors of these offerings charge a fee for the active (or passive) management and operations of their offerings. The higher the internal expense, the more it could affect the performance of your portfolio. These internal expenses are disclosed in the offering prospectus.

**Brokerage Account Fees.** Capital Analysts offers its advisory services primarily on Pershing LLC's platform, but it may also offer its advisory services on other custodial platforms. Each platform assesses different account, service and transaction fees, such as, custodial fees, ticket charges, brokerage commissions, transaction fees, administrative fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. Payment of the Wrap Fee for an account maintained on Pershing LLC's platform may be more or less expensive than other brokerage platforms.

**Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. This could affect you or your Portfolio Manager's ability to minimize the costs to you in your portfolio. We are not allowed to waive this fee for you.

**Variable Annuity Rider and Contract Costs.** These costs may include annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.

**Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other non-advisory purchases. You should consult the fund prospectus for the product sponsor's specific rules.

## **Financial Compensation and Conflicts of Interest**

### **Fiduciary Duty**

Capital Analysts and its financial advisors recognize their fiduciary duty to place your interests above our own and that any compensation received by us from other sources presents a conflict of interest and could be viewed by you as an incentive for us to recommend investment products based on compensation rather than your financial needs. Only with ERISA accounts does Capital Analysts reduce the advisory fees by any ancillary compensation that Capital Analysts or the financial advisor receives directly or indirectly from the advised assets. If your financial advisor recommends the purchase of a product outside of an advisory program, your financial advisor may receive a commission or other product compensation.

Capital Analysts and your financial advisor believe that the receipt by us of this compensation is important to us and you. It allows us to provide services to you, including such personalized professional services as electronic access to your account information, ongoing education and training of your financial advisor, and the ability for Capital Analysts and your financial advisor to keep servicing fees to a minimum and yet continue to service your account through the length of our relationship. Capital Analysts has chosen to address these conflicts by providing you disclosure so that when you are making your decision to do business with us, you can personally assess the importance and impact of such compensation. You have the option to purchase investment products through other brokers or agents that are not affiliated with Capital Analysts.

### **Voting Proxies for Clients**

Capital Analysts' Investment Management and Research Team votes proxies on behalf of clients. In some instances, voting proxies on behalf of a client can present a conflict of interest. For instance if Capital Analysts was providing investment management services to a company whose management is soliciting proxies or if an associated person of Capital Analysts had a business or personal relationship with a member of executive management of a firm soliciting proxy votes. Capital Analysts maintains a policy that all such conflicts must be disclosed. Upon learning of such conflicts, Capital Analysts will take appropriate action to mitigate the conflict such as engaging an independent party to determine how to vote the proxy, vote in proportion to other shareholders, refer the proxy to the client for voting or disclose the conflict and seek the clients consent for voting.

### **Personal Transactions**

Capital Analysts, its financial advisors, members of Capital Analysts' Investment Management and Research team and employees of Capital Analysts may buy or sell for themselves securities that are also recommended to clients. With the exception of its Insider Trading policies and procedures, Capital Analysts does not impose on itself or any person associated with it any restrictions in connection with the purchase or sale, directly or indirectly, of investments for his or her own account. Capital Analysts requires that financial advisors disclose any and all conflicts of interest to you if an investment product is recommended for which Capital Analysts or the financial advisor has a material financial interest.

### **Affiliation/Association with Lincoln Investment Planning, Inc.**

Capital Analysts is affiliated with Lincoln Investment Planning, Inc. (Lincoln Investment), a dually registered investment adviser and broker-dealer, as well as an insurance agency and member of the National Futures Association. Most financial advisors of Capital Analysts are also registered representatives of Lincoln Investment and also insurance licensed. This relationship may present a conflict of interest. Through their affiliation with Lincoln Investment, your financial advisor may effect security transactions for you within your advisory and non-advisory portfolios, and/or choose to offer to you similar or different investment advisory services that are offered through Lincoln Investment. The advisory fees for Lincoln Investment's investment advisory services may be higher or lower than Capital Analysts' advisory fees. Securities or insurance product recommendations by your financial advisor are to be made only when there appears to be a definite need and when the product meets your current objectives. Purchase of any such products by you may result in a commissions, 2b -1 fees or servicing

fees being paid to the financial advisor for his or her role as a registered representative or agent. This compensation is in addition to any fee paid for the advisory services described in this Brochure. This compensation may be in the form of:

- Securities commissions, mutual fund sales charges or dealer concessions. For any product sold by prospectus or offering circular, please read the applicable prospectus or offering circular regarding compensation to the broker dealer or insurance agency. This compensation may be shared with your financial advisor.
- Recurring distribution fees based on the value of the assets held in an account (12b-1, shareholder servicing and/or management fees). For any product sold by prospectus or offering circular, please read the applicable disclosure document in detail for distribution fee information.
- Insurance commissions as the result of insurance sales to you.

Additional forms of compensation received by Lincoln Investment that may be shared with your financial advisor:

- Cash payments from product sponsor companies as reimbursement for training and educational expenses incurred by financial advisors or Capital Analysts home office associates when attending educational meetings or conferences held by Capital Analysts, Lincoln Investment or by a product sponsor.
- Cash payments from product sponsor companies as reimbursement for approved marketing and sales expenses incurred by Capital Analysts or your financial advisors including general mailings and other marketing efforts, client appreciation meetings or educational seminars for investors or prospective investors.

The amount of compensation varies from one company to another. Only with ERISA accounts does Capital Analysts, and its affiliate, Lincoln Investment, rebate to the plan any 12b-1 fees, shareholder servicing fees, or other compensation the financial advisor may have derived as a result of the advisory services being offered.

Lincoln Investment, as the affiliated broker dealer, may receive from one or more of the product sponsors whose products or services are offered within the advisory programs at Capital Analysts, sales event sponsorship, networking reimbursement fees, administration fees for back office services, and marketing support cash payments. These payments are not shared with Capital Analysts or the Capital Analysts financial advisor. This financial support may be used by Lincoln Investment, at its discretion.

Pershing LLC will share with Lincoln Investment, as the introducing broker dealer on the advisory account, a portion of its 12b-1 fee and /or shareholder servicing fee revenues it derives from Capital Analysts' advisory accounts. Lincoln Investment will also receive from Pershing LLC a portion of the revenue received by Pershing LLC derived from cash balances in money market funds and margin debt interest associated with Capital Analysts advisory accounts maintained at Pershing. This compensation will not be shared with Capital Analysts or its financial advisors. Certain 12b-1 fees are passed through by Pershing to Lincoln and will be shared with the financial advisor. . All 12b-1 fees on ERISA plan assets are rebated to the plan account(s). Lincoln Investment may mark-up the commission on some transactions executed through Pershing LLC, including ticket charges. Capital Analysts has a policy of not allowing the absorption of ticket charges by product sponsor companies and not participating in

directed brokerage transactions.

### **Marketing Support from Product or Service Sponsors**

It is estimated that Lincoln Investment, as the affiliated broker-dealer of record, will receive additional compensation in 2013 as a result of the transactions and assets in Capital Analysts advisory accounts. Lincoln Investment plays no fiduciary role in the solicitation, offer or sale of the services offered by Capital Analysts.

### **Sales Incentives**

Lincoln Investment and Capital Analysts provides incentives, such as sales contests and conferences and trips, for certain financial advisors, the eligibility for which is based on criteria related to the assets or sales of Capital Analysts' investment advisory services, thus creating a potential conflict of interest for the financial advisor. Capital Analysts may pay a portion of the fees received from any advisory services rendered to the supervisory office where your financial advisor conducts his/her business. This payment to the office will not result in a higher fee being charged to you.

### **Custody**

Capital Analysts' affiliate, Lincoln Investment, is the broker-dealer for most Capital Analysts advisory business and utilizes Pershing, LLC as its fully disclosed clearing broker-dealer and "qualified custodian" under broker-dealer regulations and Rule 206(4)-2 (the "Custody Rule") of the Investment Advisers Act of 1940. You should receive, at minimum, a quarterly statement from the qualified custodian(s) of your account assets. We urge you to carefully review these statements and compare them to any supplemental reports provided to you by Capital Analysts or your financial advisor. The information in these supplemental advisory reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your financial advisor or Capital Analysts regarding any statement discrepancies.

### **Investment Discretion**

When you select a CAAMS Wrap Fee Program, you must authorize, in writing, full discretionary trading authority to the Capital Analysts Investment Management & Research Team. "Full-discretion" means Capital Analysts' Investment Management and Research Team may place any security transactions in your account without specific consultation with or authorization by you prior to the transactions being entered.

For CAAMS Focus accounts, you are giving Capital Analysts' Investment Management and Research Team and/or your financial advisor full discretion to effect securities transactions in your account. For CAAMS Complete; CAAMS AssetBuilder; CAAMS ETF; CAAMS Stock; and CAAMS UMA accounts,

you are giving Capital Analysts' Investment Management and Research Team full discretion to effect securities transactions in your account.

Those approved for Full-discretion have qualified for this authority based on proven expertise by meeting one or more of the following criteria: years of financial business experience, use of a consistent investment management discipline, and/or the earning of one or more pertinent financial professional designations. For instance, the Investment Management and Research Team is led by the Chief Investment Officer, Stephen Mayhew. Mr. Mayhew is a Chartered Financial Analyst (CFA), a Certified Financial Planner and a Certified Public Accountant. He has been a portfolio manager with Capital Analyst for more than 25 years. To learn more about Capital Analysts' Investment Management and Research Team, who they are and what qualification they have, see the Supplement at the end of this Brochure.

In all cases, such discretion is to be exercised in a manner consistent with your stated risk tolerance and/or investment objectives. When selecting securities and/or determining amounts of shares to be bought or sold, the financial advisor is responsible to ensure that the management team observes the investment policies, limitations and any restrictions of the account.

Full discretion does not grant Capital Analysts or your financial advisors the right to withdraw any funds from your advisory account(s), except as specifically authorized in your advisory agreement for the deduction of advisory fees.

For more information about investment advisory services other than Wrap Fee Programs offered by Capital Analysts, please request a copy of Capital Analysts' ADV Part 2A from your financial advisor.

#### **Item 5: Account Requirements and Types of Clients**

Capital Analysts provides advisory services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trusts, and other U.S. and international institutions.

Capital Analysts imposes a minimum dollar value of assets for its Wrap Fee Programs as described below (Capital Analysts may waive this minimum account requirement at its sole discretion):

<u>Program</u>	<u>Minimum Initial Investment</u>
CAAMS Focus	\$50,000
CAAMS Complete	\$50,000 (Minimum for the Custom Income Portfolio is \$250,000)
CAAMS AssetBuilder	\$15,000
CAAMS ETF	\$50,000
CAAMS Stock	\$100,000
CAAMS UMA	\$100,000

## Item 6: Portfolio Manager Selection and Evaluation

All Wrap Fee programs CAAMS Complete, AssetBuilder, ETF, Stock and UMA, a description of which is provided under Item 4 of this brochure, are managed by the Capital Analysts Investment Management and Research Team. The Investment Management and Research Team meets regularly to review current holdings and market conditions, make changes as appropriate, and ensure that the investment philosophy is consistently applied. CAAMs discretionary management includes investment selection and monitoring, portfolio construction, and portfolio rebalancing and realignment in accordance with the investment objectives of the managed model portfolio.

Investment strategies include both long-term solutions and short-term strategies, where appropriate, that coordinate with either the client's stated objectives (when managing a custom portfolio) or the objectives of the model portfolio (when managing the model to a stated objective rather than the client's portfolio.) Our goal is to manage the portfolio with the appropriate asset mix to optimize portfolio return within the given level of risk tolerance. Option writing may be used from time to time.

**CAAMS FOCUS**, your financial advisor will help you analyze your financial and life goals, time horizon and risk tolerance using a specialized objective defining questionnaire and creating an investor profile. This, in turn, is used to set your asset allocation policy and determine how your portfolio should be allocated. Your financial advisor can then take advantage of Capital Analysts' proprietary research on thousands of mutual funds, in an effort to select the ones that are most appropriate for the asset allocation model you've chosen. A quarterly advisory statement may be provided at your request, as well as periodic performance reporting and market commentary.

CAAMS Focus program is managed by the Capital Analysts Investment Management and Research Team, except for clients where your Financial Advisor has been granted discretion authority. In these, accounts, your Financial Advisor will also be involved in the selection and allocation of the assets to be placed in the managed portfolio. The Investment Management and Research Team will vote proxies on behalf of all CAAMS Focus clients.

**CAAMS Complete and CAAMS AssetBuilder** use a sophisticated screening and rating methodology. Capital Analysts Performance Statistics Leaders (CAPSL) is a comprehensive proprietary mutual fund research tool. On a quarterly basis, the Investment Management and Research Team analyze a database of thousands of mutual funds. Funds are sorted by investment objective. The top 500 funds in each category then undergo a rigorous eight-factor quantitative analysis. Finalists are further subjected to style analysis and a qualitative analysis. The final CAPSL list of 100 funds represents less than 1% of the mutual fund universe. This CAPSL list and a select list of ETFs form the basis for CAAMS Complete portfolios.

**CAAMS ETF** melds Capital Analysts' asset allocation models with select ETFs to create portfolios that correlate closely to industry benchmarks. The Capital Analysts Investment Management and Research Team analyzes hundreds of ETFs representing multiple asset classes to determine those ETFs with both a high and low correlation to the asset allocation model. The management team then recreate the portfolios utilizing 10-15 ETFs representing different asset classes and styles, including non-correlating assets such



as real estate and commodities. This is followed by strategic and tactical analysis. Portfolios are rebalanced and reallocated, as necessary.

**CAAMS Stock** represents select groups of stocks chosen from the 24 industry groups in the S&P SuperComposite 1500, as represented by the S&P / Morgan Stanley Capital International Global Industry Classification Standard (GICS). These 24 industry groups are across all 10 economic sectors. ETF components of the S&P 1500 may also be used. For global portfolios additional ETFs may be employed.

Capital Analysts' Investment Management and Research Team applies various fundamental and technical screens to the S&P 1500 and compares the results with current research recommendations of major independent services including Value Line, Standard and Poor's, Argus Research and Zacks Investment Research. Additional Wall Street research is also factored into the stock selection process.

**CAAMS UMA** portfolios use leading edge strategies and both active and passive investment approaches in this "best of breed" account that combines individual securities, ETFs, and mutual funds. These portfolios are appropriate for investors who are interested in a professionally managed account providing the tax efficiency of individual securities and ETFs, and who want their holdings diversified across asset classes and industry groups.

#### **Other Advisory Business:**

Capital Analysts offers the following additional investment advisory services for a fee. A description of each service is provided in Capital Analyst's Investment Advisor Disclosure Brochure- (Form ADV 2A) - a copy of which can be requested from your Capital Analysts financial advisor.

1. Financial Planning Services
2. Periodic Advice provided by your financial advisor
3. Third Party Portfolio Management Services

#### Assets Under Management

Capital Analysts manages approximately \$7.25 million on a discretionary basis within its CAAMS Wrap Fee Programs.

#### **Performance-Based Fees and Side-by-Side Management**

Capital Analysts and our financial advisors do not receive performance based fees. A performance based fee is an advisory fee that compensates the adviser for the adviser's success in managing a client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance based fee may induce an adviser to take greater and undue risks with client's funds in an attempt to generate higher compensation to the adviser.

Your Advisory Fees with Capital Analysts are typically assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

## **Method of Analysis, Investment Strategies and Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. The advisory services and advice offered by Capital Analysts and its financial advisors primarily attempt to provide to you a risk appropriate diversified portfolio. A diversified portfolio applies the disciplines and theories of asset allocation. Asset Allocation means, first and foremost, not “putting all your eggs in one basket,” and working to design a portfolio that sufficiently allocates your assets across different asset classes to help reduce the exposure to market loss. It is important to understand that asset allocation, although a proven theory to reduce risk in a portfolio, does not guarantee a profit or protect against loss.

The asset allocation recommended may be different than the actual asset allocation implemented. This is due to a number of factors, including, the fact that you may decide to implement only a portion of the recommendation. Regardless, it will be your financial advisor’s responsibility to inform you if your decisions to invest, or not to invest, may affect your ability to meet your intended risk tolerance level and investment objectives.

### **Common risks of investing in certain products**

**Equities** – The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You may receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment will cause a more significant loss. Diversification assists in reducing concentration risk. If your Financial advisor has been granted Limited discretion in the giving of advice to you, (CAAMS and CAAMS Plus), it is important that you become familiar with the different types of transactions that you can place with your Financial advisor, such as, market orders, limit orders, and stop orders.

**Exchange Traded Funds (“ETFs”)** – While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed. Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these must understand. It’s important to read the appropriate prospectus or disclosure document specific to the leveraged or inverse ETF before investing.

**Fixed Income Investments** – One of the most important risks associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

Default risk is commonly referred to as “credit risk” and is based on the probability that the issuer of the debt obligation may default. Default risk is rated by quality ratings assigned by commercial rating companies.

Call risk is the risk related to call provisions on debt obligations. You should be aware of four risks associated with call provisions.

- 1) The cash flow patterns of callable bonds are not known with certainty.
- 2) Since the issuer will typically exercise their right to call the bonds when interest rates have dropped, you may be exposed to reinvestment risk. You would have to reinvest the proceeds after the bond is called at relatively lower interest rates.
- 3) The potential for capital appreciation of a callable bond is reduced relative to that of a non-callable bond, because its price may not rise much above the price at which the issuer can call the issue.
- 4) If the issue is purchased at a premium, you may lose the difference between the purchase price and call price.

Inflation risk arises because the value of the cash flows being received from a debt obligation may actually lose purchasing power over the course of time due to the effects of inflation.

Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue’s liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern.

Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

**International Investing** – Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk.

Additional risk information may be available in a product's prospectus, offering circular or on the product sponsor's web site. Additional product specific risk information is available through the investor section of [www.finra.org](http://www.finra.org). Please review these resources for more detailed information on the risks related to the specific investments in your portfolio.

**Proxy Voting** - Currently, Capital Analysts' Investment Management and Research Team vote all proxies for their Full-Discretion managed portfolios: CAAMS AssetBuilder; CAAMS Complete; CAAMS ETF; CAAMS Focus; CAAMS Stock; and CAAMS UMA. For those CAAMS programs where the Financial advisor advises or manages with Limited or Full-discretion (CAAMS; CAAMS Plus; CAAMS Focus), the Financial advisors does not and cannot vote proxies on your behalf.

When voting client proxies, the Investment Management and Research Team places the clients' best interest first and foremost when determining how to vote on a proxy issue. Typically, the Investment Management and Research Group will vote the recommendation of the issuer's management group. To obtain a copy of the Proxy Voting Policy and Procedures, or to inquire on how a proxy was voted on your behalf, contact your financial advisor.

Please review the proxy voting policies of selected third party portfolio managers, if applicable on their respective Form ADV Part 2, Wrap Fee Program Brochure or other applicable disclosure document

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

Capital Analysts provides internal and third party Portfolio Managers a copy of a client's new account form and advisory agreement.

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

Clients should work with their financial advisors to arrange meetings and or conference calls with their portfolio managers.

#### **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 your evaluation of Capital Analysts or the integrity of Capital Analysts' management. Capital Analysts has no disciplinary history.

Your financial advisor should provide along with this Brochure a Supplement that describes your financial advisor's education, business experience, professional designation and material legal or disciplinary history, if any.

## **Other Financial Industry Activities and Affiliations**

As noted earlier, Capital Analysts is an affiliate of Lincoln Investment Planning, Inc., (Lincoln Investment) which is a registered broker dealer and investment adviser, as well as a general insurance agency which currently has over 800 financial advisors - 200 of which are financial advisors associated with Capital Analysts. Financial advisors of Capital Analysts are registered representatives and/or insurance agents of Lincoln Investment. This relationship may present a conflict of interest. Additionally, through its relationship with Lincoln Investment, Capital Analysts introduces client accounts to Pershing LLC, a broker-dealer and member of the New York Stock Exchange, which provides custody and clearing of exchange traded securities. Pershing LLC carries accounts on a fully disclosed basis. Lincoln Investment is also registered as an Introducing Broker with the National Futures Association to facilitate a small group of financial advisors who may offer managed futures contracts to clients. Please refer to the "Other Compensation and Our Conflicts of Interest" section under Item 5 of this brochure for more information. For more information regarding Lincoln's investment advisor, refer to Lincoln Investment Planning, Inc.'s Form ADV Part 2, or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Capital Analysts' Financial advisors are independent contractors, many of whom may hold themselves out to the public under a name other than Capital Analysts and offer other financial services independent of Capital Analysts, such as, life, health, disability, long term care and fixed annuity insurance products, real estate and retirement plan administration services. A few financial advisors may also be qualified lawyers and accountants or hold certain professional designations to conduct estate planning services. These services are offered independent of Capital Analysts and Capital Analysts assumes no responsibility or supervision over these activities. You may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) or review the Supplement to the Brochure provided by your financial advisor for further information regarding your Financial advisors' other business activities or affiliations.

Capital Analysts may permit certain financial advisors to maintain their own independent registered investment advisers through which they may offer advisory services similar to those services offered by Capital Analysts. In some cases, Capital Analysts allows these financial advisors to offer Capital Analysts' advisory services to their investment advisory clients. In these situations, Capital Analysts acts as a sub adviser or independent third party portfolio manager to the financial advisors' investment adviser clients. Capital Analysts assumes no suitability responsibility for the sub-advisory programs offered on behalf of these financial advisors and their independent investment adviser clients. All registered investment advisors must provide to their clients an Investment Advisor Disclosure Brochure (Form ADV Part 2A). To inquire as to whether your financial advisor has a separate registered investment adviser, or is affiliated with more than one investment adviser, you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org), or review the Supplement to this Brochure, provided by your financial advisor.

## **Code of Ethics**

As a fiduciary, Capital Analysts has established a Code of Ethics under which all Capital Analysts employees and financial advisors must comply. Capital Analysts accepts its fiduciary responsibility to (1) place the interests of clients first at all times, (2) act with the utmost good faith (3) provide full and fair disclosure of all material facts and conflicts of interest to clients, and (4) conduct all personal securities transactions consistent with its Code of Ethics. Capital Analysts Financial advisors are held to a professional standard that requires they avoid any abuse of an individual's position of trust and responsibility, not take inappropriate advantage of their positions; comply with applicable securities laws and regulations; and maintain confidentiality of client's financial circumstances. You may request a full copy of Capital Analysts' Code of Ethics from your financial advisor.

## **Participation or Interest in Client Accounts and Personal Trading**

Capital Analysts, its financial advisors, members of the Capital Analysts Investment Management and Research team and employees of Capital Analysts may buy or sell for themselves securities that are also recommended to clients. With the exception of its Insider Trading policies and procedures, Capital Analysts does not impose on itself or any person associated with it any restrictions in connection with the purchase or sale, directly or indirectly, of investments for his or her own account. Capital Analysts requires that financial advisors disclose any and all conflicts of interest to you if an investment product is recommended for which Capital Analysts or the financial advisor has a material financial interest.

For all exchange traded security portfolios that Capital Analysts or its financial advisors have discretionary authority, the financial advisor and his or her employees must give priority when placing an order to buy or sell to client securities purchases and sales over their own personal transactions in the same security. This means that any transaction by the financial advisor or his/her employee must be placed either simultaneously with the client's transaction (i.e. by aggregating the trade orders) or *after* all client trades are placed on the same trading day. While this does not guarantee that the client will receive a better price, it does establish that the client trades will occur at the same time or before that of the financial advisor or his/her employees. At no time may a financial advisor participate in the profits or losses of an investor's account. Personal trading accounts of financial advisors are reviewed regularly to ensure compliance.

### **Aggregated Trade Policy for Exchange Traded Securities**

Part of Capital Analysts' fiduciary obligation to its clients is to ensure when allocating investment opportunities or trades among various client accounts- as well as accounts in which it (or its associates) have a proprietary interest, that we do so in a manner that is fair and equitable treatment to all clients and in a way that avoids conflicts of interest, if possible.

Therefore, Capital Analysts has adopted the following Trade Allocation Policy to be used by those financial advisors with Full discretion over their clients' accounts. The Advisor is not obligated to aggregate orders; however, he/she shall determine whether a trade shall be aggregated based on the following parameters:

Trades in the following situations will typically be aggregated by the financial advisor:

- The Financial advisor recognizes ahead of time that he/she shall be buying or selling the same security in more than one client account on the same day.
- The Financial advisor realizes that aggregating may facilitate a better execution price for all clients,
- The securities involved are exchange traded (stocks, bonds, ETFs) as opposed to open-end mutual funds or annuity sub accounts.

The following situations do not require aggregation of trades by the financial advisor:

- Trades/Transactions for any client account would not be aggregated if prohibited by or inconsistent with the client's investment management agreement.
- Trades that are a result of implementation of a change of investment strategy for a specific client.
- Trades that are a result of implementation of a new client's account allocation
- Trades that are a result of rebalancing to an asset allocation policy that is done as a result of a client by client account review.
- Trades where the advisor does not believe that aggregating orders would adversely impact price and/or execution for the client.

If for whatever reason the security to be purchased cannot be obtained in the total quantity required, the allocation of shares will be made on a pro rata basis determined by the ratio of the quantity obtained to the share quantity on the original order ticket. Each client would participate in the order at the average price for all of the given executed security transactions on a given day. The transaction cost to all advisory clients shall be the standard ticket charge for the aggregated order.

If implementing the trade requires transactions over several days, each day's execution shares and average price on all executions for that day shall be allocated by the end of each trading day or no later than the next trading day. Accounts owned by Capital Analysts or its associates may trade on the same aggregated trade ticket.

## **Review of Accounts**

Your financial advisor is responsible to ensure that the advisory service chosen by you is suitable for you. Many of Capital Analysts' programs are managed to meet different levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation is an important part of your decision. At minimum, annual reviews should be held between by you and your financial advisor to ensure that the advisory program continues to meet your needs and goals.

Managing Associates in every office are provided with supervisory procedures which require the Managing Associates to provide regular review and supervision of the appropriateness of the advice and to review for compliance with regulations relating to all financial plans and investment advisory services recommended by financial advisors associated with the office. Managing Associates are responsible to review and approve both the Advisory Services Agreements and the Investment Management Agreements prior to submission to Capital Analysts. On a routine basis, Capital Analysts' compliance staff conducts on-site branch office audits to ensure procedures are being complied with and that proper supervision is maintained.

The Capital Analysts Investment Management and Research Team (IM & R Team) manage and monitor the CAAMS Wrap Fee discretionary programs. In addition, the IM & R Team conduct due diligence and monitoring of the third party portfolio managers.

### **Brokerage Practices**

Capital Analysts utilizes its affiliate, Lincoln Investment planning, Inc. (Lincoln), as its introducing broker-dealer unless specifically directed by a client or third party manager to place trades with another broker-dealer. Lincoln enters all trades through its clearing firm Pershing LLC. Pershing may make a market in securities in which Lincoln has acted as broker. Lincoln and Capital Analysts have policies and procedures in place to monitor trade execution practices at Pershing LLC to meet its obligations to obtain best execution on behalf of Capital Analysts' clients.

Capital Analysts does not receive "research" from broker-dealers in exchange for the directing of brokerage or higher execution costs (soft dollars). Most transactions clear through Pershing LLC to facilitate our ability to access and properly monitor your investments.

Capital Analysts may on occasion place non-exchange traded securities transactions through its broker dealer affiliate Lincoln Investment, unless otherwise directed by the client. Clients have the right to utilize a broker-dealer other than Lincoln, however; Capital Analysts reserves the right to accept or reject such accounts based on its ability to provide adequate account monitoring and best execution.

### **Written Reports**

At minimum, you will receive quarterly account statements for each of your retirement plan accounts, and non-retirement accounts from the custodian(s) who carry your account(s). As most Capital Analysts advised or managed accounts are custodied at Pershing LLC, you will receive these statements directly from Pershing LLC, either in hard copy or electronic format. This statement will reflect all positions and transactions that have occurred in your account as well as identify any fees, including the advisory fee, deducted from your account.

Some Financial advisors and CAAMS services may also provide you supplemental advisory reports which may include performance reports, aggregated account reviews, or a summary portfolio snapshot. These supplemental reports, typically generated on a quarterly basis, are made available to you either electronically or will be delivered to you. These supplemental reports are provided as a courtesy to you and should not replace your custodial statement(s). We urge you to compare these supplemental reports to



the account statements you receive. If you find any discrepancies, please contact your financial advisor or Capital Analysts.

**Client Referrals and other Compensation:**

Capital Analysts may compensate outside Solicitors for client referrals from time to time. Certain financial advisors licensed with Capital Analysts have entered into referral arrangements with Solicitors who will be paid compensation for referring clients to Capital Analysts. The compensation paid to the Solicitor will be in the form of ongoing payments based on a client's continued use of investment advisory services through Capital Analysts. The payments to the Solicitor will be a percentage of the fees paid for investment advisory services. Additionally, if a client utilizes brokerage services through Capital Analysts' affiliate, Lincoln Investment, a Solicitor, if properly licensed with Lincoln Investment, may share in the compensation earned from commissions, mutual fund loads, and/or 12b-1 distribution fees. The advisory fees and commissions that Capital Analysts and Lincoln Investment charges its clients are not increased as a result of the Solicitor's involvement in the arrangements. A Solicitor Disclosure Statement that describes the compensation that could be paid to the Solicitor is provided to each client prior to the client engaging in the advisory services.



**Capital Analysts' Investment Management & Research Team**

101 West Avenue  
Jenkintown, PA 19046  
Phone: (215) 887-7734

**Corporate Office**

Capital Analysts, Inc.  
218 Glenside Avenue  
Wyncote, PA 19095  
Phone: 800-242-1421

March 31, 2013

This brochure provides you information about the members of the Capital Analysts Investment Management & Research Team which is assigned the responsibility to manage on a discretionary basis the assets in the Capital Analysts, Inc. Wrap Fee Programs. This brochure will provide you information on those top six individuals who have the most significant responsibility for the day-to-day discretionary advice provided. This brochure is provided to you as a supplement to Capital Analysts' Wrap Fee Program Advisory Disclosure Brochure.

Additional information about these or other members of the Investment Management & Research Team is available via the U.S. Securities and Exchange Commission's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Please contact Deirdre Koerick, Chief Compliance Officer at 800-242-1421 x4520 or [dkoerick@capitalanalysts.com](mailto:dkoerick@capitalanalysts.com) if you did not receive a Capital Analysts Wrap Fee Program Brochure or if you have any questions about the contents of this Supplement.  
Should you have any other questions you can contact Capital Analysts, Inc. at 800-242-1421.

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Denis Houser, Sr. Vice President

Year of Birth: 1961

### **Education**

Bachelor of Science in Economics, Finance, The University of Pennsylvania, 1984

### **Business Experience**

Capital Analysts, Inc., 2013-Present, Sr. Vice President  
Lincoln Investment Planning, Inc., 2012 – Present, Sr. Vice President  
Lincoln Investment Planning, Inc., 2010-2011, Financial Representative  
Independent Consultant, 2009-Present  
Bellatore, Inc., 2007-2008, Executive Vice President  
Nationwide Investment Advisors, LLC., 2006-2007, National Sales Manager  
Nationwide Investment Services, 2002-2006, National Sales Manager

### **Professional Licenses/Designations**

Denis Houser holds general securities principal and general securities representative licenses, as well as a uniformed securities agent license.

## **DISCIPLINARY INFORMATION**

Denis Houser has no material legal or disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

Clients may choose to engage Denis Houser as a financial advisor to implement investment recommendations on a fee or commission basis through Lincoln Investment. Clients of Christopher Surrichio may be clients of both Capital Analysts and Lincoln Investment and may be offered the products and services of either or both companies.

## **ADDITIONAL COMPENSATION**

Generally, members of Capital Analysts' Investment Management & Research Team are compensated via salaries and annual bonuses. They may be compensated with profit sharing contributions, and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the market place. Compensation is not affected by an increase in Fund Assets.

Please refer to Item 4 (Services, Fees and Compensation) in the accompanying Capital Analysts, Inc. Wrap Fee Program Brochure. This section describes in detail the potential other forms of compensation, in addition to the advisory fee paid to Capital Analysts, which may be received by Lincoln Investment, as

the broker dealer affiliate of Capital Analysts. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

Denis Houser reports to Thomas Forst, CEO of Capital Analysts and to the Board of Directors of the parent company, Lincoln Investment Group Holdings, Inc. If you have any questions about the trading or allocations in your account or Denis Houser, please contact Deirdre Koerick, Chief Compliance Officer at 800-242-1421 x 4520 or [dkoerick@capitalanalysts.com](mailto:dkoerick@capitalanalysts.com).

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Stephen T. Mayhew, Sr. Vice President, CFA, CFP®, CPA

Year of Birth: 1957

### **Education**

Bachelor of Science, Business, The Pennsylvania State University, 1979

Master of Business Administration, Drexel University, 1984

### **Business Experience**

Capital Analysts, Inc. June 2012 – Present, Sr. Vice President,  
Lincoln Investment Planning, Inc. June 2012 – Present, Financial Advisor,  
Capital Analysts, Incorporated – 1986 to June 2012, Senior Vice President

### **Professional Licenses/Designations**

Stephen T. Mayhew holds general securities principal, general securities representative, and research analyst licenses with Lincoln Investment Planning, Inc. (Lincoln Investment), a registered broker dealer and investment adviser and affiliate of Capital Analysts, Inc. Stephen T Mayhew also holds a commodities license through Lincoln Investment, and is an associated person registered with the National Future Association.

In addition, Stephen T. Mayhew maintains the following professional designations:

#### **Chartered Financial Analyst (CFA)**

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or Four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

#### **Certified Financial Planner (CFP®)**

Designation Status: Currently offered and recognized by the issuing organization Issuing Organization:

Certified Financial Planner Board of Standards, Inc. Prerequisites/Experience Required: A candidate must meet the following requirements; A bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. The bachelor's degree requirement for CFP certification became effective March 1, 2007

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration, or an Attorney's License.

Examination Type: CFP Board of Standards 10 hour board exam Continuing Education/Experience

Requirements: 30 hours every two years

**Certified Public Accountant (CPA)**

Certified Public Accountant (CPA) is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA. Individuals who have passed the Exam but have not either accomplished the required on-the-job experience or have previously met it but in the meantime have lapsed their continuing professional education are, in many states, permitted the designation "CPA Inactive" or an equivalent phrase. In most U.S. states, only CPAs who are licensed are able to provide to the public attestation (including auditing) opinions on financial statements. The exceptions to this rule are Arizona, Kansas, North Carolina and Ohio where, although the "CPA" designation is restricted, the practice of auditing is not.

**DISCIPLINARY INFORMATION**

Stephen T. Mayhew has no material legal or disciplinary events to report.

**OTHER BUSINESS ACTIVITIES**

Clients may choose to engage Stephen T. Mayhew as a financial advisor to implement investment recommendations on a fee or commission basis through Lincoln Investment. Clients of Stephen T. Mayhew may be clients of both Capital Analysts and Lincoln Investment and may be offered the products and services of either or both companies. Stephen T Mayhew also serves as a FINRA Dispute Resolution Arbitrator.

**ADDITIONAL COMPENSATION**

Generally, members of Capital Analysts' Investment Management & Research Team are compensated via salaries and annual bonuses. They may be compensated with profit sharing contributions, and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the market place. Compensation is not affected by an increase in advised assets.

Stephen T. Mayhew, as a registered representative of Lincoln Investment, has a small number of clients, for whom he acts as financial advisor. For these accounts, he will share in the advisory fee or sales commission.

Please refer to Item 4 (Services, Fees and Compensation) in the accompanying Capital Analysts, Inc. Wrap Fee Program Brochure. This section describes in detail the potential other forms of compensation, in addition to the advisory fee paid to Capital Analysts, which may be received by Lincoln Investment, as the broker dealer affiliate of Capital Analysts. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

**SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Mayhew is Denis Houser, Sr. Vice President of Capital Analysts, Inc. Denis Houser or his/her designee is responsible to review the duties, responsibilities and trading of the Investment Management & Research Team. If you have any questions about the trading or allocations in your account, please contact Denis Houser at (800 -242-1421 Ext. 4619 or [dhouser@capitalanalysts.com](mailto:dhouser@capitalanalysts.com).

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Christopher J. Surrichio, Vice President, CFA

Year of Birth: 1970

### **Education**

Bachelor of Arts, Economics, Boston College, 1992

### **Business Experience**

Capital Analysts, Inc. June 2012 – Present, Vice President

Lincoln Investment Planning, Inc. June 2012 – Present, Registered Representative

Capital Analysts, Incorporated 2002 to June 2012, Vice President

### **Professional Licenses/Designations**

Christopher Surrichio holds general securities principal, general securities representative and research analyst licenses with Lincoln Investment Planning, Inc. (Lincoln Investment), a registered broker dealer and investment adviser and affiliate of Capital Analysts, Inc.

In addition, your Financial Advisor maintains the following professional designations:

#### **Chartered Financial Analyst (CFA)**

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or Four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

## **DISCIPLINARY INFORMATION**

Christopher Surrichio has no material legal or disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

Clients may choose to engage Christopher Surrichio as a financial advisor to implement investment recommendations on a fee or commission basis through Lincoln Investment. Clients of Christopher Surrichio may be clients of both Capital Analysts and Lincoln Investment and may be offered the products and services of either or both companies.

## **ADDITIONAL COMPENSATION**

Generally, members of Capital Analysts' Investment Management & Research Team are compensated via salaries and annual bonuses. They may be compensated with profit sharing contributions, and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the market place. Compensation is not affected by an increase in advised assets.

Please refer to Item 4 (Services, Fees and Compensation) in the accompanying Capital Analysts, Inc. Wrap Fee Program Brochure. This section describes in detail the potential other forms of compensation, in addition to the advisory fee paid to Capital Analysts, which may be received by Lincoln Investment, as the broker dealer affiliate of Capital Analysts. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Christopher Surrichio is Stephen T. Mayhew. Stephen T. Mayhew or his/her designee is responsible to review the duties, responsibilities and trading assigned to Christopher Surrichio. If you have any questions about the trading in your account, please call Stephen T. Mayhew at (215) 887-7734 or [smayhew@capitalanalysts.com](mailto:smayhew@capitalanalysts.com).



## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Jason T. Laird, Brokerage Client Services

Year of Birth: 1980

### **Education**

Bachelor of Science, Business Management, Bloomsburg University, 2002

### **Business Experience**

Capital Analysts, Inc. June 2012 – Present, Research Analyst

Lincoln Investment Planning, Inc. June 2012 – Present, Financial Advisor

Capital Analysts, Incorporated – 2004 to June 2012, Research Analyst

### **Professional Licenses/Designations**

Jason Laird holds general securities principal and general securities representative, and research analyst licenses with Lincoln Investment Planning, Inc. (Lincoln Investment), a registered broker dealer and investment adviser and affiliate of Capital Analysts, Inc.

## **DISCIPLINARY INFORMATION**

Jason Laird has no material legal or disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

Jason Laird is a financial advisor of Lincoln Investment Planning (Lincoln), a registered broker-dealer and an affiliate of Capital Analysts, Inc. Customers may choose to engage Jason Laird in an individual capacity as a registered representative of Lincoln, to implement investment recommendations on a commission basis. Jason Laird also serves as a FINRA Dispute Resolution Arbitrator.

## **ADDITIONAL COMPENSATION**

Generally, members of Capital Analysts' Investment Management & Research Team are compensated via salaries and annual bonuses. They may be compensated with profit sharing contributions, and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the market place. Compensation is not affected by an increase in advised assets.

Jason Laird, as a registered representative of Lincoln Investment, has a small number of clients, for whom he acts as financial advisor. For these accounts, he will share in the advisory fee or sales commission.

Please refer to Item 4 (Services, Fees and Compensation) in the accompanying Capital Analysts, Inc. Wrap Fee Program Brochure. This section describes in detail the potential other forms of compensation, in addition to the advisory fee paid to Capital Analysts, which may be received by Lincoln Investment, as the broker dealer affiliate of Capital Analysts. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Jason Laird is Stephen T. Mayhew. Stephen T. Mayhew or his/her designee is responsible to review the duties, responsibilities and trading assigned to Jason Laird. If you have any questions about the trading in your account, please call Stephen T. Mayhew at (215) 887-7734 or [smayhew@capitalanalysts.com](mailto:smayhew@capitalanalysts.com).

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

William John Roth IV, CFA

Year of Birth: 1978

### **Education**

Bachelor of Science, Business Administration, East Stroudsburg, 2000

Bachelor of Arts, Economics, East Stroudsburg, 2000

Masters of Business Administration, Finance, LaSalle University, 2003

### **Business Experience**

Capital Analysts, Inc. June 2012 – Present, Assistant Portfolio Manager/Due Diligence Analyst

Lincoln Investment Planning, Inc. June 2012 – Present, Registered Representative

Capital Analysts, Incorporated – 2008 to June 2012, Assistant Portfolio Manager/Due Diligence Analyst

Merrill Lynch, Pierce, Fenner & Smith Incorporated – 2005 to 2008, Investment Consultant

Lincoln Investment Planning, Inc. – 2001 to 2005, Branch Support Representative

### **Professional Licenses/Designations**

William Roth holds general securities principal, general securities representative, and research analyst licenses with Lincoln Investment Planning, Inc. (Lincoln Investment), a registered broker dealer and investment adviser and affiliate of Capital Analysts, Inc.

In addition, your Financial Advisor maintains the following professional designations:

#### **Chartered Financial Analyst (CFA)**

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or Four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

## **DISCIPLINARY INFORMATION**

William Roth has no material legal or disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

Clients may choose to engage William Roth as a financial advisor to implement investment recommendations on a fee or commission basis through Lincoln Investment. Clients of William Roth may be clients of both Capital Analysts and Lincoln Investment and may be offered the products and services of either or both companies.

## **ADDITIONAL COMPENSATION**

Generally, members of Capital Analysts' Investment Management & Research Team are compensated via salaries and annual bonuses. They may be compensated with profit sharing contributions, and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the market place. Compensation is not affected by an increase in advised assets.

Please refer to Item 4 (Services, Fees and Compensation) in the accompanying Capital Analysts, Inc. Wrap Fee Program Brochure. This section describes in detail the potential other forms of compensation, in addition to the advisory fee paid to Capital Analysts, which may be received by Lincoln Investment, as the broker dealer affiliate of Capital Analysts. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of William Roth is Stephen T. Mayhew. Stephen T. Mayhew or his/her designee is responsible to review the duties, responsibilities and trading assigned to William Roth. If you have any questions about the trading in your account, please call Stephen T. Mayhew at (215) 887-7734 or [smayhew@capitalanalysts.com](mailto:smayhew@capitalanalysts.com).

## **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Brian Moran

Year of Birth: 1967

### **Education**

Bachelor of Science, Economics, University of Pennsylvania, 1998

### **Business Experience**

Capital Analysts, Inc. June 2012 – Present, Institutional Trading Manager  
Lincoln Investment Planning, Inc. June 2012 – Present, Registered Representative  
Capital Analysts, Incorporated – 2001 to June 2012, Institutional Trading Manager

### **Professional Licenses/Designations**

Brian Moran holds general securities principal, general securities representative, municipal securities principal, and options principal licenses with Lincoln Investment Planning, Inc. (Lincoln Investment), a registered broker dealer and investment adviser and affiliate of Capital Analysts, Inc.

## **DISCIPLINARY INFORMATION**

Brian Moran has no material legal or disciplinary events to report.

## **OTHER BUSINESS ACTIVITIES**

Clients may choose to engage Brian Moran as a financial advisor to implement investment recommendations on a fee or commission basis through Lincoln Investment. Clients of Brian Moran may be clients of both Capital Analysts and Lincoln Investment and may be offered the products and services of either or both companies.

## **ADDITIONAL COMPENSATION**

Generally, members of Capital Analysts' Investment Management & Research Team are compensated via salaries and annual bonuses. They may be compensated with profit sharing contributions, and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the market place. Compensation is not affected by an increase in advised assets.

Please refer to Item 4 (Services, Fees and Compensation) in the accompanying Capital Analysts, Inc. Wrap Fee Program Brochure. This section describes in detail the potential other forms of compensation, in addition to the advisory fee paid to Capital Analysts, which may be received by Lincoln Investment, as the broker dealer affiliate of Capital Analysts. Compensation to Lincoln Investment may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Brian Moran is Stephen T. Mayhew. Stephen T. Mayhew or his/her designee is responsible to review the duties, responsibilities and trading assigned to Brian Moran. If you have any questions about the trading in your account, please call Stephen T. Mayhew at (215) 887-7734 or [smayhew@capitalanalysts.com](mailto:smayhew@capitalanalysts.com).