

***CAPITAL STRATEGIES INVESTMENT GROUP, LLC***

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**This brochure provides information about the qualifications and business practices of Capital Strategies Investment Group, LLC (“CSIG”), a registered investment adviser. If you have any questions about the contents of this brochure, please contact us at 630-320-5100 or at [info@capstratig.com](mailto:info@capstratig.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 CSIG also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Registration of an investment adviser with the United States Securities and Exchange Commission does not imply a certain level of skill or training.**

## **ITEM 2 – MATERIAL CHANGES**

Since our last Annual Amendment was filed in March 2014, we have added Alison Bettonville as a principal owner of our firm at Item 4 – Advisory Business.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **ITEM 4 – ADVISORY BUSINESS**

CSIG is a registered investment adviser founded in 2009 by Will Woodall, Barbara Best and Nancy Rizzuto. CSIG provides institutional investors, corporate retirement plans (defined contribution and defined benefit), high net worth individuals, trusts, and estates with both discretionary and non-discretionary consulting and investment advisory services, including manager recommendations and monitoring, asset allocation, investment policy, financial planning and portfolio management services based on customized asset allocations that CSIG designs based upon clients' individual investment goals, policies, objectives and risk tolerances. We provide these services both in a one-time report outlining CSIG's conclusions and recommendations, and on a continuous basis. In addition, CSIG provides general consulting services to corporate retirement plans including plan design, fee analysis and negotiation, employee education and provider management.

Will Woodall, Nancy Rizzuto, Alison Bettonville and Barbara Best are principal owners of CSIG.

As of December 31, 2014, CSIG had a total of approximately \$9,604,602,524 billion in assets under management. \$833,678,488 is managed on a discretionary basis and \$8,770,924,036 is managed on a non-discretionary basis.

### **Portfolio advisory and management**

CSIG works with clients to develop an individually tailored, overall investment strategy. Based on information provided by a client and on a thorough analysis of the client's investment objectives, policies, constraints and risk tolerance, we develop a customized strategy that is designed to help each client meet their desired investment goals. We document the resulting investment strategy in a written Investment Policy Statement ("IPS"), which includes a general investment plan and recommends an asset allocation (the percentage of assets to be invested in cash, bonds and stocks) that is designed to identify the mix of asset classes best suited for the client (in terms of risk and return). CSIG invests clients' accounts in a mix of no-load mutual funds, exchange-traded funds ("ETFs"), collective trusts, limited partnerships, cash equivalents and fixed income and equity securities. For more information on the strategies and investments that CSIG may use when implementing the investment strategies it develops with clients, see Item 8, "Methods of Analysis, Investment Strategies and Risk of Loss."

### **Manager recommendations**

Beyond our discretionary investment advisory services, we also offer non-discretionary services whereby we recommend to a client one or more unaffiliated investment managers who will manage a portion of the client's account. CSIG will provide the client with an Investment Manager Search Report that contains a list of investment managers whose investment philosophies and policies are, in our judgment, compatible with the client's investment objectives, policies, constraints and risk tolerance outlined in their IPS. The search reports are designed to assist clients with interviewing the investment managers that we recommend, and, if necessary, we will coordinate those interviews between our clients and those recommended investment managers. These interviews enable the client to gain additional information regarding the investment managers' investment philosophies, policies and business operations. We perform ongoing monitoring of investment managers that the client selects.

## **ITEM 5 – FEES AND COMPENSATION**

For our investment advisory services, we charge clients a flat rate or a fee between 0.05% and 1.00% of the account's assets under advisement. Fixed fee arrangements are negotiated for some types of clients. This fee is negotiable and payable in advance on an annual or quarterly basis. Fees are negotiable, and the specific rate charged to each account depends on the value of assets in a client's account and the scope of services that CSIG provides. The annual or quarterly fee is payable in advance.

You may elect that we bill you directly for fees, or you may authorize your broker or custodian to deduct our fees from your account and remit them to us. CSIG does not charge performance-based fees for accounts that it manages.

Your agreement with us may be terminated by either party upon written notice to the other party, effective 30 days after receipt of such notice. Upon termination of your account, you may be entitled to a refund from the effective date of termination through the end of the period for which you have paid a fee. If you owe CSIG any fees at the date of termination, such fees will be due and payable in accordance with the standard billing procedures between you and CSIG.

### ***Additional Fees and Expenses***

As part of the investment advisory services that we provide, we may invest, or recommend that you invest, in mutual funds, collective trusts, limited partnerships and ETFs. The fees that you pay to us for our services are separate and distinct from the fees and expenses that mutual funds, collective trusts, limited partnerships or ETFs charge to their shareholders. These fees generally will include a management fee and other expenses due to the underlying money manager.

The management fees described above do not include any custodial fees or transactional costs your account will incur, which are charged by the custodian or broker that maintains your account. You will incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees typically are imposed by the broker-dealer or custodian through which your account transactions are executed. You may incur certain charges imposed by custodians, brokers and other service providers and other third parties, such as custodial fees, brokerage commissions, transfer taxes, wire transfer and electronic fund fees. CSIG does not share in any portion of these fees, commissions or costs. Additionally, CSIG does not receive or accept and compensation for the sale of securities or investment products. For more information, see Item 12, "Brokerage Practices," below for a description on the factors that CSIG considers in recommending broker-dealers to clients.

## **ITEM 6 – PERFORMANCE-BASED ALLOCATION AND SIDE-BY-SIDE MANAGEMENT FEES**

CSIG does not charge performance-based fees for its investment advisory services.

## **ITEM 7 – TYPES OF CLIENTS**

As discussed above in Item 4, "Advisory Business," we provide investment advisory services to institutional investors, corporate retirement plans (defined contribution and defined benefit), high net worth individuals, trusts, and estates.

CSIG does not impose a minimum dollar value to establish or maintain an account.

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

In developing individualized strategic investment plans for clients, we emphasize a long-term investment philosophy and a diversified portfolio of investments designed to provide the highest expected return consistent with the client's risk tolerance. We attempt to achieve diversification over time, across and within asset classes, across investment management styles and by industry sector and geographic region. For all clients, CSIG invests in a wide variety of securities and financial instruments, including no-load mutual funds, ETFs, collective trusts, limited partnerships, cash equivalents, and equity and fixed income securities. We may use long- and short-term investment strategies for all accounts.

We may recommend other types of securities to clients, after a thorough quantitative and qualitative screening, to achieve a specific tactical or strategic asset allocation that is best suited for a particular client. We usually do not recommend a particular type of security. An individual recommendation of an investment manager or an investment in a specific security may be non-diversified and may carry a relatively high risk level. (See the discussion on "Concentration risk" below.)

For clients we advise, CSIG also may utilize derivative instruments, including options. We may purchase and write put and call options, or any combination thereof, that are traded on national securities exchanges or in the over-the-counter markets. We believe that the use of options should to help reduce risk and enhance investment performance of client accounts.

For non-discretionary clients, we provide objective investment consulting services on unaffiliated investment managers who execute the investment strategy for the client's account. In recommending those managers, we consider a variety of criteria, including but not limited to:

- performance relative to benchmarks,
- consistency of performance,
- volatility,
- fees and expenses,
- consistency of investment style,
- assets under advisement, and
- tax efficiency.

We obtain information about investment managers from a variety of third-party sources in addition to performing our own proprietary research. We base our assessment of investment managers on qualitative criteria including:

- the general reputation of the investment manager,
- stability of the organization and stability and tenure of the company's management team, and
- information obtained through interviews with the managers that CSIG recommends.

## ***Risks***

Investing in securities involves risk of loss that you should be prepared to bear. In managing our clients' accounts, we adhere to individualized strategic investment plans based on each client's objectives, risks tolerances and other factors. Therefore, the performance of each account will vary based on a variety of factors, including, but not limited to:

- the asset allocation of the portfolio,
- any concentration in particular industries or securities,
- customer input on investment levels and individual positions,
- availability of certain investments,
- size of the account, and
- a client's overall financial condition, investment objectives and restrictions, and risk tolerance.

## ***Additional Risks***

- Concentration risk. Concentration risk is the risk that a portfolio will concentrate its investments in a specific industry or type of investment that then underperforms the market. By investing client account in a mix of managed portfolios, no-load mutual funds, ETFs, cash equivalents and fixed income and equity securities, we reduce the risk that the performance of a client's portfolio will be highly dependent on the performance of only a few companies in the overall market.
- Market risk. Market risk is the risk that unfavorable conditions will cause the value of all securities and other investments to decline. Our diversified investment strategy does not reduce or eliminate market risk, because it is possible that, during unfavorable market conditions, the value of all securities will decline.
- Equity securities risks. Equity securities fluctuate in value and such fluctuations can be pronounced. In general, stock values fluctuate in response to the activities of individual companies and in response to general market and economic conditions. Accordingly, the value of the stocks and other securities and instruments that a client holds may decline over short or extended periods.
- Fixed income securities risks. Fixed income securities are subject to interest rate and credit risk. Interest rate risk relates to changes in a security's value as a result of changes in interest rates generally. The prices of such securities are inversely affected by changes in interest rates and, therefore, are subject to the risk of market price fluctuations. Credit risk relates to the ability of the issuer to make payments of principal and interest. A client could lose money if the issuer of a fixed income security is unable to pay interest or repay principal when due.
- Options risk. The trading of options may be highly speculative and may entail more risk than those present when investing in other types of securities. Prices of options are

generally more volatile than prices of other types of securities. When trading in options, you may run the risk of losing the entire investment.

We do not represent or guarantee that our services will insulate clients from losses due to market corrections or declines, and we cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future results.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

Neither CSIG nor any of our management persons have been involved in any legal or disciplinary events, material or otherwise, and therefore we have no information applicable to this item.

#### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

CSIG does not have any financial industry affiliations. This item is not applicable.

#### **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

CSIG has adopted a Code of Ethics (the “Code”) for all employees, describing CSIG’s high standards of business conduct and fiduciary duty to its clients. The Code includes, among other things, provisions concerning the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures of CSIG employees and principals. At the commencement of his or her employment (and more often, as the Code is amended), all employees at CSIG must acknowledge the terms of the Code and report each brokerage or other account in which the supervised person has a beneficial interest, controls or shares profits.

The Code permits CSIG, its employees and its principals to purchase and hold mutual funds, ETFs or equity and fixed income securities that are recommended to and purchased for CSIG’s clients. Thus, employees may purchase individual securities that may also be purchased by the underlying investment managers retained by CSIG’s clients or by CSIG itself. The Code is designed to assure that the personal securities transactions, activities and interests of CSIG and its employees and principals will not interfere with our ability to (i) make decisions in the best interest of our advisory clients and (ii) implement such decisions while, at the same time, allowing our principals and employees to invest for their own accounts. At the commencement of employment and annually thereafter, all employees at CSIG must disclose his or her personal securities holdings to the Chief Compliance Officer.

To identify and avoid any conflicts of interest, the Code requires that CSIG employees report on a quarterly basis all transactions in personal securities to CSIG’s Chief Compliance Officer, who reviews such reports to ensure compliance with the Code. Additionally, the Code grants the Chief Compliance Officer the power to grant an exemption from provisions of the Code, prior to any proposed transaction, based upon a determination that the conduct would not interfere materially with the best interest of CSIG’s clients. Because the Code permits employees to invest in the same securities as advisory clients, it is CSIG’s policy not to give preference to orders for accounts of CSIG and its employees. Accordingly, CSIG’s Chief Compliance Officer monitors employee trading to ensure that accounts of CSIG or its employees and principals do not trade ahead of, or receive more favorable treatment than, our clients.

Clients and prospective clients may request a copy of our Code by contacting CSIG directly.



## **ITEM 12 – BROKERAGE PRACTICES**

CSIG does not select brokers or negotiate commissions paid on transactions for its clients' accounts. CSIG recommends brokers to clients as part of its advisory services. In recommending a broker, we choose those brokers that have demonstrated the ability to provide our clients with:

- discounted transaction charges,
- consolidated reporting,
- duplicate monthly statements, and
- special access to some mutual funds, including lower sales charges than for direct purchases and lower minimum purchase amounts.

The same benefits are also afforded to CSIG's principals and employees; however, these benefits to CSIG, its principals and its employees are not material factors in determining which brokers we recommend. Our primary considerations in recommending brokers are the special services and discounted commissions that they provide to the client. We do not expect that clients will pay to recommended brokers commissions that are higher than those they may obtain from other brokers for comparable services. There can be no assurance that clients will pay the lowest commissions available.

For clients that have given us trading authorization, we only purchase portfolio securities for the client's account solely through the client's custodian. Therefore, CSIG has no obligation to seek better execution services or prices from other brokers or dealers, which may result in you paying higher commissions or transactions costs.

We do not receive research services or other non-monetary benefits from brokers or dealers executing securities transactions on behalf of our client accounts, nor do we receive "soft dollars" to pay for these products and services.

### ***Aggregation of Orders***

For those clients who have given us trading authorization, we will effect transactions for the sale and purchase of investments in those accounts solely through your custodian; accordingly, we will not aggregate client transactions for execution. As a result, you may incur additional fees that you otherwise might not have incurred had the trade been effected in an aggregated trade with another broker. Clients who receive manager recommendations from us should refer to that underlying investment manager's Form ADV to understand the trading and brokerage issues that might be applicable for that investment manager.

## **ITEM 13 – REVIEW OF ACCOUNTS**

The CSIG investment consulting team reviews client accounts periodically to ensure conformity with client objectives and guidelines. In addition to a periodic review, we review client accounts more frequently as conditions dictate, triggered by events such as emerging trends, market volatility, substantial changes in the value of a client's portfolio or changes in a client's investment objectives.

As part of our review, we review the client's overall investment strategy, the performance of the client's portfolio and relevant investment managers. We also provide clients each quarter with written performance reports for each account, as well as other reports as we shall determine in our sole discretion.

#### **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

We do not compensate any persons, either directly or indirectly, for client referrals, nor do we receive any additional compensation beyond that described in this Brochure.

#### **ITEM 15 – CUSTODY**

CSIG does not have physical custody of funds or securities in its client's accounts. Your funds and securities will be held with a bank, broker-dealer or other independent "qualified custodian," which is independent of CSIG. You will receive account statements at least quarterly from the bank, broker-dealer or other qualified custodian holding your funds and securities. We urge you to carefully review the account statements that your custodian provides you and compare them with any statements that we provide to you. Our statements may vary from the custodian's statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

#### **ITEM 16 – INVESTMENT DISCRETION**

For its discretionary clients, CSIG has the authority to determine which securities will be bought or sold, and the amount of such securities to be bought or sold, for those clients' accounts without first obtaining client consent or providing prior written notice to a client.

Though we retain authority to determine the type and amount of securities to invest for your account, you may specify your investment objectives and guidelines, select your portfolio strategy and impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. In all cases, we exercise our discretion in a manner consistent with the investment objectives you state for your account and that you document in your IPS.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

With respect to accounts that we manage, we do not have authority to vote, and will not accept responsibility for voting, proxies on your behalf. If you own shares of common stock, ETFs or mutual funds, you remain responsible for exercising your right to vote as a shareholder for all securities maintained in your portfolio. In most cases, you will receive proxy materials or other solicitations directly from the account custodian. Because we do not accept discretion to exercise these powers on behalf of our clients, we do not have direct knowledge of client actions in these matters and do not maintain or make available records of such actions. In addition, we do not offer any advice with respect to voting of proxies.

#### **ITEM 18 – FINANCIAL INFORMATION**

We are required in this item to provide you with any information about CSIG's financial condition that is reasonably likely to impair our ability to meet our contractual and fiduciary commitments to you. There is no such information to disclose, as we have ample capital and resources to meet all of our obligations, and we have not been the subject of a bankruptcy proceeding.