



CAPITAL ADVISORS GROUP, INC.

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November 10, 2016

Item 1: Cover Page

This Brochure (Form ADV, Part 2A) provides information about the qualifications and business practices of Capital Advisors Group, Inc. If you have any questions about the contents of this Brochure, please contact us at (617) 630-8100 or ktoney@capitaladvisors.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.

Additional information about Capital Advisors Group, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

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Capital Advisors Group, Inc. is an investment adviser registered with the SEC. Registration of an investment adviser with the SEC does not imply any level of skill or training.

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Please keep a copy of this Brochure for your records.

Item 2: Material Changes

This Brochure, also known as Form ADV, Part 2A, has been prepared according to SEC rules relating to information that must be disclosed to clients and prospective clients of certain investment advisers, which include Capital Advisors Group, Inc. ("Capital Advisors Group").

Capital Advisors Group last updated its Form ADV, Part 2A on August 30, 2016. The following is a summary of the material changes since the last Brochure update, which are reflected in this updated Brochure:

- Item 11 has been revised to include information relating to Capital Advisors Group's participation in FDIC-insured bank deposit programs in which its clients may invest, or which it may recommend to clients.

You may request a copy of the most recent version of this Brochure free of charge by contacting Kari Toney at (617) 630-8100 or ktoney@capitaladvisors.com. If you are a client of Capital Advisors Group, you will receive an updated Brochure (or a summary of any material changes since the Brochure's last annual update and information on how to request an updated brochure) within 120 days of the close of Capital Advisors Group's fiscal year. Capital Advisors Group's fiscal year closes on December 31, which means that you usually will receive an updated Brochure or the summary of material changes by April 30 of the following year. From time to time, we also may provide you with information that, as a client, could affect our advisory relationship with you. Any update of this Brochure or any information sent to you that could affect our advisory relationship with you will be sent without charge.

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Item 4: Advisory Business

Capital Advisors Group, Inc. is a Delaware corporation that was incorporated in 2013. Capital Advisors Group changed its state of incorporation from New Jersey, where it was originally incorporated in 1991, to Delaware on October 3, 2013. This change did not involve a change in Capital Advisors Group's ownership. The owners of Capital Advisors Group are the Benjamin K. Campbell Trust of 2011 (Benjamin Campbell, CEO is a trustee of this trust) and the Campbell Family 1998 Irrevocable Trust.

Discretionary Investment Management Services

Capital Advisors Group provides discretionary investment management services to institutional investors with respect to investments in short-term, high-quality, fixed income financial instruments with maturities that conform to an investor's specific cash flow needs. Those instruments may include shares of money market funds and beneficial interests in other short-term collective investment funds. Capital Advisors Group also may use sub-advised programs that deposit client cash in Federal Deposit Insurance Corporation ("FDIC")-insured deposit accounts at banks (collectively, "deposit programs").

Discretionary investment management services are based primarily on Capital Advisors Group's proprietary research and are tailored to the individual needs of each client. Each client that has given Capital Advisors Group discretionary investment management authority may impose restrictions on investments made by Capital Advisors Group on its behalf. Capital Advisors Group has trading authority with respect to the securities for which it provides discretionary investment management services.

All discretionary investment management services are provided through separately managed accounts at third-party custodians.

Non-Discretionary Advisory Services

Capital Advisors Group provides non-discretionary investment advice to institutional investors with respect to investments in securities (typically short-term, fixed income instruments), including shares of money market funds and beneficial interests in other types of short-term investment funds. Capital Advisors Group provides analysis of such securities and assessments of credit, interest rate and other types of risk. Capital Advisors Group also provides assessments of investors' various counterparty exposures. An investors' exposure to counterparties may or may not be in the form of individual securities. Capital Advisors Group does not have trading authority with respect to the securities for which it provides non-discretionary investment management services.

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Securities Consulting Services

Capital Advisors Group also provides consulting services to institutional investors relating to certain individual and portfolios of securities (typically short-term, fixed income instruments), including shares of money market funds. These consulting services consist of analyzing and monitoring specific individual and portfolios of securities. All consulting services are tailored to the individual needs of clients. Capital Advisors Group does not have trading authority with respect to the securities and portfolios for which it provides only consulting services.

As of December 31, 2015, Capital Advisors Group managed assets valued in the aggregate at approximately \$10.1 billion on a discretionary basis (regulatory assets under management) and advised on assets valued in the aggregate at approximately \$11.3 billion on a non-discretionary basis (non-regulatory assets under management).

Item 5: Fees and Compensation

Discretionary Investment Management Services

Capital Advisors Group charges each discretionary investment management services client a fee that is between .01 and 0.185 percent per year. Fees are typically calculated as a percentage of the account's month-end aggregate market value balances and are payable monthly in arrears. Investment management fees relating to deposit programs typically consist of portions of the interest received by the accounts and are set by a sub-adviser. Capital Advisors Group may assess clients a minimum fee of up to \$625 per quarter. Capital Advisors Group typically deducts discretionary investment management services fees from the client's custodial account. With respect to an account participating in a deposit program, Capital Advisors Group receives its investment management fee from a sub-adviser, instead of directly from the client or the client's account.

Non-discretionary Advisory Services

Capital Advisors Group typically charges each non-discretionary advisory services client a fee that is either a percentage (between zero and 0.25 percent per year) or a flat fee. Percentage fees are usually calculated as a percentage of the account's monthly aggregate market value or par value balances and are payable monthly in arrears. Flat fees are usually payable quarterly in arrears. Capital Advisors Group may assess clients a minimum fee of up to \$625 per quarter. Capital Advisors Group deducts non-discretionary investment advisory services fees from client's custodial account or bills clients for fees incurred.

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Securities Consulting Services

Capital Advisors Group charges each securities consulting services client a fee, the form and amount of which is determined by agreement between Capital Advisors Group and the client.

Fees and Client Expenses, Generally

All fees are agreed to prior to executing a discretionary investment management, non-discretionary advisory or securities consulting agreement with a client. Investment management fees charged by Capital Advisors Group are exclusive of brokerage commissions, transaction fees, service fees, legal fees, expenses attempting to protect or enhance the value of securities, amounts due on client-related loans and debit balances, and other related costs and expenses, which are the responsibility of the client. However, Capital Advisors Group typically pays custodial fees and fees relating to domestic wire transfers that otherwise would be the responsibility of the client.

Fees paid to Capital Advisors Group for investment management services do not include amounts paid to asset managers for managing money market funds and other short-term collective investment funds that Capital Advisors Group may use in managing client assets, and do not include other expenses of such funds (including any fund share distribution fees). These amounts are described in each fund's prospectus or other offering materials. From time to time, a client could invest in a fund directly, without the services of Capital Advisors Group. In that case, the client would not receive the services provided by Capital Advisors Group, which are designed, among other things, to assist the client in determining which mutual fund or funds are appropriate for the client's financial condition and objectives. Certain funds recommended by Capital Advisors Group also may not be available to the client directly. Accordingly, a client should review both the fees and expenses charged by the funds and the fees charged by Capital Advisors Group to understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services provided.

From time to time, Capital Advisors Group reduces the advisory fees it charges certain clients.

Other Forms of Compensation Received by Capital Advisors Group

From time to time, Capital Advisors Group accepts compensation from service providers to money market funds and other short-term investment funds for providing certain shareholder services to those service providers with respect to investments in those funds by clients of Capital Advisors Group. Accepting such compensation may present a conflict of interest and may provide Capital Advisors Group with an incentive to recommend investment products based on the compensation it receives from those service providers rather than the client's needs. To address that conflict, Capital Advisors Group's Director of Investment Research and Strategy determines whether the fund otherwise meets Capital Advisors Group's suitability

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standards for investment of client assets prior to accepting any compensation from a fund service provider with respect to any investment in a fund by a client at Capital Advisors Group's direction or recommendation. The Director of Investment Research and Strategy selects money market funds for Capital Advisors Group's clients based upon factors that include, but are not limited to, asset size of a fund, stability of fund flows, fund sponsor's financial strength, management team's track record of credit and interest rate risk management, shareholder composition of the fund, and performance. In addition, Capital Advisors Group discloses in writing to each client that it may receive compensation from a fund service provider with respect to the client's investment in the fund.

Capital Advisors Group also licenses certain money market fund research to financial institutions that make that research available to certain investors through money market fund portals and/or directly through Capital Advisors Group.

Compensation from such service providers and financial institutions accounts for approximately 22% of all compensation for all services.

Item 6: Performance-based Fees and Side-by-side Management

Capital Advisors Group does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client), other than with respect to client accounts that participate in deposit programs. A client account that participates in a deposit program is charged a fee based on the amount of interest received by the client account while deposited in FDIC-insured bank deposits. Because the amounts that Capital Advisors Group would receive for investing client assets in a deposit program are substantially similar to the amounts it would receive for managing the assets using another strategy, Capital Advisors Group does not believe that it has an incentive, and thus, a conflict of interest, to invest client assets using one strategy or another.

Item 7: Types of Clients

Capital Advisors Group typically provides portfolio management services to institutional investors, such as corporations, charitable institutions, and foundations.

Capital Advisors Group does not require clients to maintain a minimum balance in their accounts. A deposit program may require a minimum initial account balance.

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Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis and Investment Strategies

- Discretionary Investment Management Services. Capital Advisors Group offers comprehensive, multi-tiered solutions to cash management. Capital Advisors Group provides customized buy-and-hold strategies, including strategies in which scheduled maturities and income are intended to help fund client operating and near-term cash requirements. Capital Advisors Group also offers total-return strategies (for example, 1- to 3-year) in which portfolios are managed with a goal of maximizing market value returns.

Capital Advisors Group's Investment Committee meets periodically to determine investment strategies, such as portfolio structure and duration, for "buy-and-hold" investment portfolios. A sub-committee of the Investment Committee is responsible for the final review and approval of investment strategies. For total-return investment portfolios, the investment strategies are determined by another sub-committee of the Investment Committee.

The Credit Committee approves credits for inclusion on Capital Advisors Group's approved credit list based on recommendations of the Research Department.

- Non-discretionary Advisory Services

Capital Advisors Group provides analysis of short-term fixed income securities, including shares of money market funds and beneficial interests in other short-term investment funds that may be used for purposes of managing cash. Capital Advisors Group's methodology is based on fundamental credit analysis of individual securities, augmented by quantitative methods that evaluate securities' susceptibility to credit and liquidity risks using historical and/or peer group data. Capital Advisors Group also provides assessments of investors' various counterparty exposures through a variety of risk metrics.

- Securities Consulting Services. Capital Advisors Group's securities consulting services consists of analyzing and monitoring specific individual securities and portfolios of securities, including money market funds. Capital Advisors Group's methodology is based on fundamental credit analysis of individual securities, augmented by quantitative methods that evaluate securities' susceptibility to credit and liquidity risks using historical and/or peer group data.

Risk of Loss

Discretionary investment management accounts managed by Capital Advisors Group generally are subject to the same risks that apply to investments in highly rated, short-term, fixed income securities. Thus, those accounts generally are subject to interest rate risk, credit risk, liquidity

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risk, call risk and, with respect to asset-backed securities, prepayment risk and extension risk. Investments in money market and other short-term collective investment funds that seek to maintain a stable share price also are subject to the risk that a stable share price may not be maintained, that is, the risk that the aggregate market value of the fund's investments will materially vary from the aggregate of the acquisition prices of those investments.

Client accounts that participate in deposit programs are subject to certain risks. Clients that participate in a deposit program may lose the benefits of some or all of FDIC insurance protection if they fail to consider amounts held at FDIC-insured institutions separate from the deposit program. Client cash that is held in an account at a custodian, but not deposited at an FDIC-insured bank (such as cash received, but not yet deposited) is not federally insured.

Additional information concerning the risks associated with Capital Advisors Group's investment strategies is available to clients and potential clients upon request.

All investments in securities involve a risk of loss, which clients should be prepared to bear.

Item 9: Disciplinary Information

Capital Advisors Group is not, and has not been, subject to any legal or disciplinary event that is material to a client's or a potential client's evaluation of Capital Advisors Group's investment management or other businesses or the integrity of its management.

Item 10: Other Financial Industry Activities and Affiliations

Capital Advisors Group has a division that provides analysis and consultation in connection with debt financing. Capital Advisors Group assists companies in i) identifying appropriate lenders based on a company's industry, financial profile, stage of life and desired type of collateral; ii) conducting request for proposal processes to obtain proposals from qualified lenders; iii) analyzing and comparing proposals received; and iv) assisting with the negotiation of the terms, covenants, conditions, and other provisions of selected proposals.

Capital Advisors Group also has organized a subsidiary in the form of a limited liability company that is in the process of registering with the SEC as a broker-dealer and applying for membership with the Financial Industry Regulatory Authority, Inc.

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Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

Capital Advisors Group has adopted a Code of Ethics for all of its supervised persons describing its high standard of business conduct and its supervised persons' fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts, and personal securities trading procedures. All supervised persons at Capital Advisors Group must acknowledge the terms of the Code of Ethics annually, or as amended. Capital Advisors Group will provide a copy of the Code of Ethics to any client or prospective client upon request. If you would like a copy, please contact Kari Toney at (617) 630-8100 or ktoney@capitaladvisors.com.

Participation or Interest in Client Transactions and Personal Trading

Capital Advisors Group from time to time invests a portion of its assets in shares of money market funds, other securities, and FDIC-insured bank deposit programs in which it may invest client assets, or which it may recommend to clients. This practice may cause Capital Advisors Group to have a conflict of interest with certain clients. Capital Advisors Group attempts to mitigate this risk by, among other things, investing only in very large money market funds that maintain adequate liquidity, in securities for which there is a ready market, and in bank deposit programs whereby FDIC insurance applies separately to Capital Advisors Group and each participating client.

Item 12: Brokerage Practices

Generally

Capital Advisors Group strives to maximize the value of each client's portfolio by selecting brokers who deliver low overall transaction costs while maintaining high quality service, inventory and other related factors. Capital Advisors Group aggregates the purchase or sale of securities for its clients when Capital Advisors Group believes that it would result in a better purchase, or sale price and/or lower transaction costs for each participating client.

Broker Selection and Periodic Evaluation

Capital Advisors Group's process for selecting and evaluating brokers includes examination of the brokers' bid/offer levels, expertise, quality of trade execution (efficiency and errors), effectiveness in confirming and settling transactions, quality and availability of no-fee research,

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potential for conflicts of interest, general reputation and other such factors related to the best execution of trades. In selecting brokers, Capital Advisors Group does not consider whether it receives client referrals from the broker or a third party.

Capital Advisors Group maintains a list of approximately thirty approved brokers. Capital Advisors Group's Head Trader recommends brokers for approval to the Trade Oversight Committee. The Trade Oversight Committee consists of the CEO, the President and Chief Operating Officer, the Chief Compliance Officer, the Head Trader and the Director of Investment Research and Strategy. The Director of Investment Research and Strategy makes the final determination of whether to include a specific broker on the approved list.

The Head Trader conducts quarterly evaluations of the services of all approved brokers based on the above described criteria, and reports any change in service quality to the Trade Oversight Committee. Capital Advisors Group's Research Department also conducts annual reviews of all approved brokers to determine their financial soundness.

Soft Dollar Practices

Capital Advisors Group receives research, but not other products and services, in addition to execution, from certain brokers in connection with client securities transactions. Receipt of research may cause Capital Advisors Group to favor the broker providing the research over other brokers. Capital Advisors Group minimizes this conflict of interest created by the receipt of this research by selecting brokers for individual transactions without regard to whether the broker provides any research.

Directed Brokerage

Capital Advisors Group does not recommend, request or require that a client direct it to execute transactions through a specified broker. Capital Advisors Group may from time to time permit a client to direct it to execute transactions through a specified broker. When a client directs transaction execution through a specific broker, Capital Advisors Group may not always be able to achieve the most favorable execution of client transactions.

Item 13: Review of Accounts

Account Review

All discretionary investment management accounts are periodically monitored by Capital Advisors Group's Portfolio Management Department. Each client is assigned a Portfolio

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Manager at the beginning of the client's engagement. For each account, the Portfolio Manager conducts the following review:

- At least twice per month, the Portfolio Manager evaluates whether Capital Advisors Group's investment strategy for the client conforms to the client's investment objectives, including any changes in the client's liquidity needs; and
- The Portfolio Manager may review the client's portfolio more frequently if he or she believes that there have been material changes in interest rates and other market factors or if the client has advised the Portfolio Manager of changes in its cash flow needs.

The Portfolio Managers periodically meet with Capital Advisors Group's President and Chief Operating Officer to review accounts to determine whether the accounts are managed in accordance with the client's investment objectives, as well as the strategies determined by Capital Advisors Group's Investment Committee.

Client Reports

Each client of Capital Advisors Group receives monthly written statements, unless Capital Advisors Group and the client agree to statements provided more or less frequently. Statements include a summary of the client's investment portfolio, valuation information and trading activity and, if investment management or advisory fees are deducted, the amounts of those fees and how those amounts were calculated. A client may request that Capital Advisors Group provide custom reports, and Capital Advisors Group tries to accommodate those requests within reason. A client also may have access to current and historical information on its portfolio holdings, trading activity, security valuations and other information through its custodian.

Item 14: Client Referrals and Other Compensation

Capital Advisors Group has arrangements with several third parties related to client referrals. Compensation is payable by Capital Advisors Group only if the referred investor becomes a client of Capital Advisors Group. Compensation is generally based on a percentage of the fees paid by the client and other compensation that may be received by Capital Advisors Group relating to the client's investments managed by Capital Advisors Group. If such a third party contacts an investor for the purpose of referring that investor to Capital Advisors Group, the third party is required to deliver to that investor a document disclosing, among other things, the referral arrangement with Capital Advisors Group, that it will be receiving compensation from Capital Advisors Group, and how that compensation will be determined.

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Item 15: Custody

Clients should receive at least quarterly statements from the broker, bank or other qualified custodian that holds and maintains client's investment assets. Capital Advisors Group urges clients to review those statements carefully and compare them to the account statements that Capital Advisors Group may provide. Capital Advisors Group's statements may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies with respect to certain securities.

Item 16: Investment Discretion

When providing investment management services to a client, Capital Advisors Group usually receives discretionary authority from the client at the outset of the advisory relationship. That authority typically authorizes Capital Advisors Group to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives and investment guidelines for that particular client account.

Item 17: Voting Client Securities

The types of instruments recommended by Capital Advisors Group typically do not provide their holders with any voting rights. Capital Advisors Group, however, has adopted a Proxy Voting Policy, a copy of which is available to clients upon request. Should Capital Advisors Group vote any proxy for one or more of its clients, it shall keep a record of the manner in which the proxy was voted and it shall make that record available to its clients upon request.

Item 18: Financial Information

Capital Advisors Group has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to its clients, and it has not been the subject of a bankruptcy proceeding.

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