
Item 1 – Cover Page

Capital One Advisors, LLC

Investment Advisor Brochure

(Part 2A of Form ADV)

Updated March 31, 2017

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This Brochure provides information about the qualifications and business practices of Capital One Advisors, LLC.

The Brochure represents our own responses to specific questions designed to disclose important information about registered investment advisers. It is organized to make it easy for clients and prospective clients to compare the services of different advisers by ensuring all firms respond to a common set of items in a specific order.

If you have any questions about the contents of this Brochure, please contact us at the telephone number or email listed above. 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 One Advisors, LLC, is an SEC-registered investment advisor. Registration as an investment advisor does not imply a certain level of skill or training.

Additional information about Capital One Advisors is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2—Material Changes

The Material Changes section of this Brochure allows us to provide clear notice of any material changes in our business practices or disclosures.

Material Changes Since the Last Update

There are no material changes to this Brochure.

Full Brochure Available

Whenever you would like to receive a complete, current copy of our Firm Brochure, please contact us by telephone at: 800-943-6108 or by email at: 401kpros@sharebuilder.com.

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Item 3—Advisory Business

Firm Description

Capital One Advisors, LLC, (“COA,” the “Firm”, “ShareBuilder 401k,” “Spark 401k,” “we,” “our,” or “us”) was founded in 2005 and succeeded to the business of its affiliate Capital One Financial Advisors, in 2014.

Advisory services provided to retail clients (“Client,” “Retail Client”) are through Financial Advisors (“FA”s) who are registered as investment advisor representatives (“IAR”s) of COA. Advisory services provided to businesses (“Plan Sponsor,” “Employer,” “Client,” “401k Client”) and their employees (“Participants,” “Plan Participants,” or “Employees”) are marketed by IARs of COA through ShareBuilder 401k and Spark 401k, which are marketing names for the 401(k) services of Capital One Advisors, LLC.

COA’s IARs are also registered representatives of Capital One Investing, LLC. (“COFI”), a broker-dealer affiliate. Other than for business continuity purposes, 401(k) IARs generally have no responsibility to support the business of COFI. FAs are actively engaged in selling securities products and services through COFI.

Principal Owners

COA is a wholly-owned subsidiary of Capital One Financial Investing LLC, which is a wholly-owned subsidiary of Capital One Direct Securities, Inc., and an indirect wholly-owned subsidiary of Capital One Financial Corporation.

Types of Advisory Services

COA has three business lines: 401(k) services, Managed Portfolios and the Wealth Strategies Program.

The Firm utilizes Co-Presidents to lead each line of business. Ms. Yvette Butler leads the retail investor advisory services offering the Managed Portfolios Program and the Wealth Strategies Program and Mr. Stuart Robertson leads the 401(k) services offering (“**401k**” or “**the Program**”).

Wealth Strategies is a wrap fee program that provides clients with investment advisory and brokerage execution services for an all-inclusive fee. Please review the COA Wealth Strategies Program Wrap Fee Brochure for a full description of this program.

The Managed Portfolios Program is a wrap fee program that provides investment advisory and brokerage execution service for a single fee. Please review the COA Managed Portfolios Wrap Fee Brochure for a full description of this program.

In its 401(k) services line, COA provides affordable retirement investment products to businesses and their employees. In this line, we consider the Employer or Plan Sponsor to be our Client, and our direct interaction, as well as our contractual agreements, are with the Employer and not with the Plan Participants. We typically serve businesses ranging in size from 1 to 2,500 employees.

COA’s 401k services are designed to make a complex process simpler by streamlining the job of Plan selection and implementation, and by limiting the investing choices available to our Clients and their Employees.

401(k) SERVICES

We provide consulting services and information to Employers regarding the establishment of a defined contribution plan ("Plan") for its Employees.

Through our website, we ask the Employer a series of questions and then recommend a particular Plan based on the Employer's identified needs. We then provide an automated process to assist the Employer in selecting and purchasing a Plan and then choosing investment options, as described below. Our Plan recommendations are based on a number of factors, including but not limited to, size of employee base, demographics, and existing benefits.

Key to meeting our goal of making 401(k) simpler is offering limited investment choices. To this end, we offer 20 ETFs on our platform, as well as a Money Market Fund. We also provide 5 Model Portfolios constructed of a subset of these 20 ETFs. We do not offer advice on any other types of investments.

Participants may choose to invest in a Model Portfolio created by COA or to build a custom portfolio utilizing a selection of the 20 ETFs and the Money Market Fund. Model Portfolios are constructed to meet a range of Plan and Participant risk profiles and include Stable, Conservative, Balanced, Moderate, and Aggressive Portfolios. In no event does COA offer personalized advice to Plan Participants concerning investment strategies.

Because COA's Investment Committee chooses the investment options available, as well as the composition of each of the Model Portfolios, we serve as an ERISA 3(38) advisor for each 401(k) Plan, unless otherwise arranged. We do not provide other investment advisory services beyond this to our 401(k) Clients. Our ERISA 3(38) status distributes some of the fiduciary risks and duties Employers would otherwise have in offering a Plan by managing the investments made available in the Plan. The Plan Sponsor and other Employer personnel involved with the Plan retain all other fiduciary duties, including the selection of other Plan providers.

Item 4—Fees and Compensation

401(k) Services Fees and Compensation

We are compensated primarily by asset-based fees. For companies with 401k plans that have minimal or no assets, we also receive a portion of one-time fees charged for Plan set-up, as well as ongoing monthly administration fees charged to the Plan Sponsor. For take-over plans and as any plan grows in asset size, our fee schedule is tiered so that we receive a smaller portion and eventually charge no set-up or administration fee to the plan sponsors for these services. For Plans with a very large number of Participants relative to a small asset base, we have a scale that determines when we charge an ongoing per-Participant fee assessed directly to the Plan Participants that is available through obtaining a quote. As plan assets grow, these fees are reduced and/or eliminated. The per-Participant fee ranges from \$0 to \$4.50 per month, depending on the asset and participant size of the plan.

Fees specific to the 401(k) offering are detailed on COA's website at: www.401kpricing.com or via quote (thru www.spark401k.com or www.sharebuilder401k.com) or by calling us.

In general, Plans become more expensive as they add Participants, and they become less expensive as they increase assets. The most expensive Plans are those with a large number of Participants and a small asset base.

We have provided broad descriptions of the types and ranges of fees that Plan Sponsors and Plan Participants can expect to pay. In all cases, a Plan Sponsor will receive a detailed proposal and fee disclosure document through our website prior to purchasing a Plan through us. This is the most accurate way to understand our fees. The proposal details both COA's advisory fees and the fees charged by the Third-Party Administrator ("TPA") responsible for recordkeeping for all the Plans we offer.

In addition to information available through our website, COA representatives can be reached by toll-free number to discuss Plan features. In some markets, where we maintain a physical sales support presence, we are able to meet in person to answer questions and guide users to the Plan that fits their stated needs.

For Plans with fewer than 250 Participants, the primary components of our fees are:

- One-time set-up fees, charged to the Plan Sponsor and ranging from \$0 to \$995, depending on the Plan type and assets.
- Administration fees, charged to the Plan Sponsor, and ranging from \$0 to \$400 per month. Plans with more Participants generally pay higher monthly administration fees, but the fees decrease as assets increase above predetermined tiers. In rare instances, this fee is negotiable.
- Asset-based fees, charged quarterly by the TPA to the Plan Participant's account, and based on an annual fee ranging from 0.06% of asset value to 0.75% of asset value. The schedule of asset-based fees appears below for plans with 250 Participants or less.

From time to time, to encourage new customers to establish plans in our Program, we offer promotional discounts on the above fees to Capital One Financial Corporation affiliates' ("COF Affiliates") customers and non-COF Affiliates prospects.

The following is a summary of our fees by Plan type. All fees shown are for Plans with 250 or

fewer Participants. We provide a custom quotation for Plans with more than 250 Participants. The quote takes into account asset base, Plan type, and the administration fees necessary for us to cover the increased servicing costs involved with a larger number of Participants.

Type of Plan	Individual 401(k)	Simplified / Safe Harbor 401(k)	Customized / Traditional 401(k)	Tiered Profit Sharing 401(k)
Works Best For	Solo Owner(s) planning to save \$5,500 or more per year	Plans seeking to maximize owner contributions and avoid IRS tests	Employers seeking flexible matching, vesting, and profit sharing options	Employers seeking to reward employees by group, tenure, or age
One-time Set-Up Fee	<p>\$150 for Plans with less than \$250,000 in assets;</p> <p>No charge for Plans with more than \$250,000</p>	<p>Under \$500,000 in assets: \$495</p> <p>\$500K - \$1,999,999: \$400</p> <p>\$2 million to \$4,999,999: \$250</p> <p>Over \$5 million: No charge</p>	<p>Under \$500,000 in assets: \$750</p> <p>\$500K - \$1,999,999: \$600</p> <p>\$2 million to \$4,999,999: \$450</p> <p>Over \$5 million: No charge</p>	<p>Under \$500,000 in assets: \$995</p> <p>\$500K - \$1,999,999: \$750</p> <p>\$2 million to \$4,999,999: \$500</p> <p>Over \$5 million: No charge</p>
<p>Monthly Admin Fee, based on number of Participants, and charged to Plan Sponsor.</p> <p><i>Maximum shown applies only to Plans with 250 or fewer Participants</i></p>	\$15 per owner for Plans with less than \$250,000; No charge for Plans with more than \$250,000	From \$0 to \$325 per month, based on number of Participants and asset base. No charge for Plans with more than \$5 million and fewer than 250 Participants	From \$0 to \$400 per month, based on number of Participants and asset base. No charge for Plans with more than \$5 million and fewer than 250 Participants	From \$0 to \$325 per month, based on number of Participants and asset base. No charge for Plans with more than \$5 million and fewer than 250 Participants

Type of Plan	Individual 401(k)	Simplified / Safe Harbor 401(k)	Customized / Traditional 401(k)	Tiered Profit Sharing 401(k)
Asset Management Fee	See Chart Below	See Chart Below	See Chart Below	See Chart Below
Per Participant Fee Assessed to Participants	None	None for Plans with fewer than 250 Participants;	None for Plans with fewer than 250 Participants;	None for Plans with fewer than 250

Asset-Based Fee Charged to Plan Participants (Plans with Fewer than 250 Participants):

Total Assets in Plan	Annual Fee
\$0 - \$499,999	.75%
\$500,000 - \$1,999,999	.65%
\$2,000,000 - \$4,999,999	.55%
\$5,000,000 - \$7,999,999	.45%
\$8,000,000+	.06% - .55%

In some situations, administration and asset-management rates have been negotiated that are different than our standard pricing.

HOW PLAN SPONSORS AND PARTICIPANTS ARE CHARGED

Most of our billing functions are performed by TPAs. We use two different TPAs: Plan Administrators, Inc. ("PAI") and Ascensus, Inc. ("Ascensus"). These TPAs are unaffiliated with COA and with each other. We assign new Plans to a particular TPA based on the Plan type, the number of Participants, and other factors. New Individual 401(k) Plans are typically assigned to Ascensus; similarly, Plans with more than 250 Participants are also assigned to Ascensus because PAI has elected not to administer Plans with a larger number of Participants. Employers will receive disclosure documents and agreements directly from the TPA associated with their Plan. Plans are not implemented until all agreements with the TPA are executed.

Below are more specifics about how different fees are charged.

- For plans with less than \$5 million in assets, COA charges the Plan Sponsor a one-time set-up fee at the time the Plan is purchased. This fee is paid through our website to establish the Plan and is not usually refundable. For plans with less than \$500,000 in assets, COA retains a small portion of the set-up fee, and most of it is paid to the TPA

- The assigned TPA bills the Plan Sponsor for the monthly administration fee, if applicable. This is paid by direct debit from the Plan Sponsor's bank account. Plan Sponsors do not have the option to pay by another method. PAi charges the administration fee one month in advance, while Ascensus charges the fee in arrears. Termination information is found in the agreement all Plan Sponsors execute directly with the TPA. As described above, in some instances, COA shares in part of the monthly administration fee; when this occurs the amount COA retains varies based on the size of the Plan. In general, we mark-up the wholesale price offered to us by the TPA and charge slightly more for Plans with little or no assets. As a Plan grows past certain asset milestones, the administration charge to the Employer will decline below the TPA's wholesale price to COA, resulting in COA paying the TPA the difference.
- For Plans greater than 250 Participants, a per-Participant fee can be assessed to the Participant as described above. When applicable, it is collected quarterly by the TPA. The fee is deducted directly from the Participant's account unless the employer opts to pay for it directly. The TPA remits 100% of these fees to COA, or uses them to offset other fees COA owes to the TPA.
- Asset-based fees are also deducted quarterly by the TPA directly from Participant accounts, in arrears. The TPA deducts the fee directly from the account without further notice to or consent of the Plan Sponsor or Participant. COA has no authority to deduct the fee. The fee is calculated by determining the daily average value over the prior calendar quarter in the Participant's account, multiplying this value by the stated annual fee, and dividing by four.

For example, a Plan has \$2.5 million in total assets with COA and has agreed to an annual fee of 0.55% (.0055). The TPA receives information about pricing data over the prior quarter and calculates that Participant A had a daily average balance of \$110,000. The fee is calculated as follows:

$$\$110,000 \times .0055 = \$605.$$

$$\$605/4 = \$151.25.$$

\$151.25 = the quarterly fee charged to the Participant by the TPA

Average daily account values are recorded by the TPA based on daily closing pricing data obtained from our broker-dealer affiliate, COFI. COFI obtains pricing data from independent third parties, including its clearing firm, Pershing LLC. (See more on the relationship among COA, COFI and Pershing in the Custody section, below.)

Of the fees charged, the TPA remits the entire amount to COA, except for Individual 401(k) Plans. For Individual 401(k)s, PAi retains 15 basis points (.0015) from the total fee and Ascensus retains 10 basis points (.0010) from the total fee. The amount retained by the TPA doesn't change the total amount charged to the Participant. Using the above example again, we've illustrated the amount paid to PAi and to COA respectively for an Individual 401(k).

Individual 401(k)

Example of Fee Sharing between COA and TPA

1. $\$110,000 \times .0055 = 605.$
 $\$605/4 = \$151.25.$
 $\$151.25 =$ the quarterly fee charged to the Participant by the TPA
2. PAi retains .0015 per year or .000375 per quarter = \$41.25/quarter
COA retains .004 per year or .001 per quarter = \$110/quarter
3. The total fee of \$151.25 charged to the Participant remains the same.

MARKETING AGREEMENTS AND REFERRAL ARRANGEMENTS

For 401k Plans, we maintain marketing agreements with certain affiliated and unaffiliated companies that provide products and services to small and mid-size businesses. We often pay these companies marketing bonuses for referrals. These payments are in addition to subsequent payments of up to \$2,600 for the referral and the subsequent sale and funding of plans. Additionally, in some instances, reduced set-up and monthly administration fees are available for Plan Sponsors who have existing business relationships with these companies. Otherwise, all standard fees are the same. Any marketing bonuses paid are paid directly by COA, and not out of Plan assets or fees assessed to the Plan Participants.

In addition to directly marketing our services to Plan Sponsors, our 401k Plans are offered to businesses and their employees through other companies. These other companies include independent registered investment advisors ("IAs"), registered broker-dealers ("BDs"), or COF Affiliates. These other companies may also provide other advisory, brokerage, or banking services through independent agreements our Clients execute with those companies. In all cases, the services we offer remain the same and are described in this Brochure. We don't review, monitor, or otherwise oversee or participate in the other services offered by these other companies.

When we receive referrals from these other IAs or BDs, we have agreed that they have the option, with the Plan Sponsor's acceptance, to charge up to an additional 50 basis points (.0050) annually, on top of our standard asset-based fees, that the TPA collects, remits to us and we pay to them. Plan Sponsors must evaluate the additional services they receive from these providers to determine if those services are (1) necessary to the operation of the Plan and (2) if the additional fee is no more than reasonable compensation for the services received.

Clients purchasing Plans through other IAs or BDs, can pay higher fees than those shown on COA's Standard Fee Schedule, to the extent the other service provider charges for its own services by increasing the standard COA fee (up to .50bps).

See Item 14, Client Referrals and Other Compensation, for more information.

From time to time, and in certain situations, COA or its representatives for 401(k) services, Managed Portfolios and Wealth Strategies, have the ability to recommend or refer prospects and clients to other Capital One subsidiaries when those subsidiaries offer similar products and services. Examples of this would be if a Plan Sponsor is seeking to offer features or benefits to its employees that COA is unable to support or if an individual qualifies for the products and services offered by Capital One's Wealth and Asset Management ("WAM") Group, which consists of the trust department of Capital One, N.A. ("CONA") and its SEC registered investment advisor, Capital One Asset Management ("COAM"). In these cases, there may be referral fee arrangements or revenue sharing agreements in place across the Capital One entities involved.

OTHER COSTS TO PLAN SPONSORS OR PLAN PARTICIPANTS

Since the 401k program is offered through a web-based platform, Plan Sponsors and Participants are dependent on internet access and are responsible for associated costs.

The TPAs responsible for Plan and Participant recordkeeping also assess charges for certain transactions, such as withdrawals and loans. Detailed information on these charges is provided to Sponsors at the time they set up the Plan. The TPA is responsible for ongoing notice to the Plan of future fee changes.

Participants are not charged commissions or other transaction fees. This is possible because trades are aggregated and processed through our affiliated broker-dealer, COFI, and routed to COFI's clearing firm, Pershing, for execution. We are able to take advantage of the relatively low trading costs available through our affiliate. We absorb the cost of these transactions instead of passing them on to Participants. Because COA bears the transaction costs under this arrangement—an expense traditionally passed on to the Plan Participant—COA has a financial incentive to keep those charges low which is consistent with our long-term approach to retirement savings.

EXPENSE RATIOS & BROKERAGE COSTS

We provide advice to Plan Sponsors on the selection and periodic modification of investment options and we provide Model Portfolios composed exclusively of a subset of the 20 ETFs selected by our Investment Committee. ETFs are not traditional mutual funds but are often compared with them for investment purposes. ETFs are, as their name suggests, traded on stock exchanges. Most ETFs represent shares in the companies that make up a recognized index. ETFs are priced throughout the day and are typically purchased or sold at the current market price, rather than an end-of-day calculation based on net asset value. Some ETFs may have lower expense ratios than comparable mutual funds. However, unlike mutual funds with structured sales loads, investors normally pay individual transaction fees or commissions to brokers when they purchase ETFs.

We have arranged to have all Participant transactions executed through our affiliated broker-dealer, COFI. Participants do not pay any commissions or other transaction fees, but COFI charges us for the costs that would otherwise have been incurred by Participants. See Item 12, Brokerage Practices, for a detailed explanation of this process and the conflicts of interest inherent in our using our affiliate for execution and in aggregating Participant orders.

PAST DUE ACCOUNTS AND TERMINATION

We reserve the right to stop work on any account that is overdue for payment of services.

Plan Sponsors can terminate their accounts with us at any time by contacting us and completing some required forms. The TPAs serving the Plan typically require specific notice periods, as described in the agreements Plan Sponsors execute with those companies, but COA does not require advance notice.

Item 5—Performance-Based Fees

Performance-Based Fees

We do not charge performance-based fees in either of our business lines. COA does not charge or accept any fees based on a share of capital gains on, or capital appreciation of, program assets.

Item 6—Types of Clients

401(k) Services Clients

We generally provide advice about Plan structure options to Employers, and make a limited number of investment choices and Model Portfolios available to Plan Participants. Our Clients are businesses or business owners. We do not offer personalized investment advice through this business line.

Item 7—Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, and technical analysis.

For our 401(k) services, the main sources of information include financial periodicals, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

Investing in securities always involves risk of loss that clients should be prepared to bear.

Investment Strategies

For 401(k) Plans, COA does not have discretionary authority over individual client or participant accounts and, except as described below in Item 16, does not otherwise implement investment choices or offer personalized advice.

Our Investment Committee (“Committee”) oversees the investment options available in Clients’ Plans along with overseeing the make-up of the five Model Portfolios (from conservative to aggressive). The Committee consists of investment professionals including Chartered Financial Analysts and Certified Financial Planners. To assist in our analysis, we use a model we obtain from an unaffiliated third-party company. This model helps the Committee evaluate different elements of risk in a portfolio, as well as potential expected returns, and guides the Committee’s construction of the Model Portfolios. There is no guarantee that use of this model will lead to any specific returns or protect against loss.

With this model and other data, as well as other internal and external resources, the investment options are selected and Model Portfolios constructed in line with the Capital One Advisors’ 401k Investment Philosophy and Policy. Our essential policy objectives are asset diversification, historical performance and keeping fund expenses low. The Model Portfolio allocations may be adjusted based on several factors, including expected returns, asset concentration, volatility, and external market factors such as liquidity of ETFs.

The Model Portfolios are constructed with set investment time horizons ranging from 1-3 years to over 10-20 years and are not expected to have frequent allocation changes based on normal market conditions. The underlying ETFs, in turn, will possess individual risk/return characteristics based on the investment objective of the ETF described in the prospectus and provided to Participants via COA's website.

The information below describes key elements of COA's ETF selections and their corresponding asset class. The Model Portfolios and the investment objectives described are not a prediction or guarantee of future performance; rather, they describe an approach to the portfolios and results that COA hopes to achieve in creating them. The Model Portfolio objectives and the ETF selections are described on the following pages.

Model Portfolio Objectives:

In describing risk below, it is important to understand that for the Program, we select investment options and build Model Portfolios solely for 401(k) Plans. Our choices begin with a relatively conservative objective: saving for retirement. Even when describing a Model Portfolio as "high risk," in our context our choices remain prudent. The portfolio will be reasonably diversified, and the investment options selected will meet established investment criteria.

STABLE PORTFOLIO—Lower-risk investments that focus on near-term liquidity and limited volatility. The objective is present income with minimal risk from market fluctuation. STABLE investors may have a need for modest income or access to principal now or in the next one to two years.

CONSERVATIVE PORTFOLIO—Investors in this portfolio typically have a two-to-five year investment time horizon. Their present income needs may be greater than that of the STABLE investor. We consider this portfolio as low to medium risk of principal.

BALANCED PORTFOLIO—Investors in this portfolio typically have a five-to-10 year investment time horizon and choose to diversify across both aggressive, growth-oriented investments and more conservative, income-generating investments. This portfolio emphasizes income over growth and we consider it medium risk of principal.

MODERATE PORTFOLIO—Investors in this portfolio also typically have a five-to-10 year investment time horizon. However, they may be comfortable with a slightly more aggressive balance of investments. This portfolio emphasizes growth over income and we consider it medium to high risk of principal.

AGGRESSIVE PORTFOLIO—Investors in this portfolio typically have an investment time horizon of more than 10 years and are willing to accept greater volatility—including the loss of principal—in exchange for potentially higher returns over the long-term. We consider this portfolio as high risk.

List of ETFs available to Plan Participants:

Domestic Equity ETFs	Symbol	Asset Class	Benchmark Index
Vanguard S&P 500	VOO	Large Cap Blend	S&P 500
Vanguard Growth Index Fund ETF Shares	VUG	Large Cap Growth Equity	CRSP US Large-Cap Growth
Powershares QQQ Shares	QQQ	Large Cap Growth	NASDAQ 100
SPDR DJIA ETF Trust	DIA	Large Cap Value	Dow Jones Industrial Avg.
Vanguard Value Index Fund ETF Shares	VTV	Large Cap Value	CRSP US Large-Cap Value
iShares MSCI USA ESG Select	KLD	Large Blend	MSCI USA ESG Select Index
Vanguard Mid-Cap	VO	Mid Cap Blend	CRSP Mid-Cap
iShares Select Dividend	DVY	Mid Cap Value	Dow Jones Select Dividend
iShares Core S&P Small-Cap	IJR	Small Cap Blend	S&P 600 Small-Cap
Specialty Equity ETFs	Symbol	Asset Class	Benchmark Index
Vanguard REIT	VNQ	Real Estate	MSCI US REIT
Vanguard Emerging Markets Stock Index Fund ETF Shares	VWO	Diversified Emerging	MSCI Emerging Markets
Vanguard Developed Markets Index Fund ETF Shares	VEA	Foreign Large Blend	MSCI EAFE
PowerShares DB Commodity Index Tracking Fund	DBC	Commodities Broad Basket	DBIQ Optimum Yield Diversified Commodity Index Excess Return
iShares Gold Trust	IAU	Commodities Precious Metals	London PM Fix Price
Fixed Income ETFs		Asset Class	Benchmark Index
SCHWAB Short-Term U.S. Treasury	SCHO	U.S. Gov. Bonds Short Term	Barclays US Treasury 1-3 year
iShares 7-10 Year Treasury Bond	IEF	U.S. Gov. Bonds Intermediate	Barclays Capital 7-10 Treasury
Vanguard Total Bond Market Index Fund ETF Shares	BND	U.S. Corporate & Government Bonds	Barclays Capital Aggregate Bond

iShares TIPS Bond	TIP	U.S. Gov. Inflation Protected Bonds	Barclays Capital U.S. Treasury Inflation Notes
SPDR Barclays International Treasury Bond	BWX	World Bond	Barclays Capital Global Treasury Ex-US Capped Index
PowerShares Emerging Markets Sovereign Debt Portfolio	PCY	Emerging Markets Bond	DBIQ Emerging Market USD Liquid Balanced Index
Stable Value Fund		Asset Class	Benchmark Index
Dreyfus Government Cash Management Fund	DGCXX	Money Market Fund	Stable Value income

Risks

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of an ETF may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors that can be independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Risks Specific to ETFs:** ETFs are funds bought and sold on a securities exchange that attempt to track the performance of a specific index (such as the S&P 500), a commodity, or a basket of assets (such as a set of technology-focused, country-specific, or other sector-specific stocks). The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in its being more volatile than the underlying securities. ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

Item 8—Disciplinary Information

Legal and Disciplinary

We are required to disclose if we, key employees, or our affiliates, have been involved in specified legal or regulatory events. We have nothing to disclose in response to this question.

Item 9—Other Financial Industry Activities and Affiliations

Financial Industry Activities

All of COA's personnel are associated with and provide services to COFI, a registered broker-dealer and COA affiliate.

COA's Co-Presidents, Ms. Butler and Mr. Robertson, manage their respective business lines accordingly. Ms. Butler manages the Wealth Strategies and Managed Portfolio Program and also serves as President of COFI. Mr. Robertson manages the 401(k) services program.

COA's Chief Compliance Officer, Mr. Jerrold Mauricio, also serves as the Chief Compliance Officer for COFI and Capital One Agency, LLC, an affiliated insurance agency.

For both Ms. Butler and Mr. Mauricio, their duties on behalf of the broker-dealer are substantial and occupy a majority of their time.

Mr. Robertson, while registered with COFI, spends the majority of his time focused on COA's activities.

Affiliations

COA has arrangements that are material to its advisory business or its clients with a related person as follows: COFI, Capital One, N.A., (banking institution), COAM and other Capital One Financial affiliates (collectively, "COF Affiliates"). We have cross-marketing agreements in place with the COF Affiliates as described in this Brochure. Where these arrangements result in the payment of a referral fee in the form of sharing asset-based fees, this information is disclosed in advance.

Item 10—Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

COA has implemented a Code of Ethics which governs the personal trading activities of its employees. The Code of Ethics specifies that certain COA employees are required to comply with applicable federal securities laws, adhere to all personal trading policies of COA and its affiliates, and report and disclose personal securities transactions. We will furnish a copy of the Code of Ethics to Clients or prospective Clients upon request.

Participation or Interest in Client Transactions

COA itself, as well as our employees, can buy or sell the ETFs we make available and can also invest consistent with the Model Portfolios. The names of the 20 ETFs and the composition of the Model Portfolios are public information. These are widely traded securities

and we do not believe that activity by our employees would have any significant impact on market prices. Further, no one working for COA or COFI is able to see individual Participant transactions. COFI personnel are able to see aggregated transactions, after they have been submitted for execution; only the TPAs know Participant identities or the amounts of securities purchased for specific Participants. We do not believe that our ability to invest in the same securities as Participants presents any disadvantage to Participants.

Employees of COA and COFI must abide by the COA Code of Ethics and personal trading policies outlined by both COFI and by our parent, COF.

Our business model is based on our ability to execute trades on behalf of Plan Sponsors at low cost and to provide for the purchase and sale of fractional shares when Plan Sponsor trades delivered by the TPA's Trust Company are not in whole shares. Our ability to use our affiliate, COFI, for this purpose is central to our services. The business model employed by COA encourages small investors to invest regularly and involves COFI aggregating Plan Sponsor trades to permit low transaction charges and facilitate fractional shares. There is no public market to buy or sell fractional shares of ETFs. Thus, COFI may include shares (residual shares) owned by COFI in the aggregation of Plan Sponsor orders to ensure whole share orders are presented to the market. COFI's participation in certain aggregate orders is done solely to facilitate the purchase and sale of fractional shares for Plan Sponsors. Importantly, COFI's purchase and sale of such residual shares is accomplished via block trades in which COFI participates in the trades along with Plan Sponsors (i.e., COFI's orders are aggregated with the orders for Plan Sponsors to create a block trade). COFI submits the block whole share orders to Pershing LLC for execution, which means the transactions are not principal transactions for purposes of Section 206(3) of the Investment Advisers Act of 1940.

This ability to buy and sell fractional shares is offered as a service to Plan Sponsors and is not designed as a profit center for COFI. COFI acquires and sells any residual shares at the same price obtained for all shares participating in the block transaction. COFI routes all orders to Pershing for execution and orders are filled based on Pershing's order routing and execution policies. In no case does COFI or COA determine or influence the execution price.

COFI could realize some profit or loss from market fluctuation when liquidating a position resulting from residual fractional shares in the open market and the Firm provides its own capital to hold the shares, as well as to cover any losses. COFI believes that the potential for profit or loss is not significant and we do not believe the process creates a material conflict of interest.

Item 11—Brokerage Practices

Selecting Brokerage Firms

As discussed above, our affiliate, COFI, is a registered broker-dealer. Our business model is based on our ability to execute trades on behalf of Participants at low cost and to provide for the purchase and sale of fractional shares. Our ability to use our affiliate for this purpose is central to our services. Accordingly, all Plan Sponsors establishing a Plan through us must use a TPA we recommend, and those TPAs have agreed to manage their recordkeeping and reporting responsibilities in a manner that leverages COFI's capacities.

COFI submits all transactions to Pershing LLC for execution at COFI's customary cost for similarly aggregated transactions. COA will pay all transaction charges directly to COFI. These charges are based on actual costs incurred by COFI, including taxes and exchange fees, and do not include a mark-up or profit margin. COA's payment of these commissions is

included as part of the overall service fees paid by the Plan Sponsor and Participants under the established fee schedule. Because COA bears the transaction costs under this arrangement—an expense traditionally passed on to the Plan Participant—COA has a financial incentive to keep those charges low.

Directed Brokerage

We require Plan Participants to establish their accounts with specific TPAs who's Trust Company will transmit information directly to our affiliate, COFI. As described below, we have an incentive to recommend COFI based on our business needs rather than on our Client's interest in receiving most favorable execution. In light of the circumstances, however, we believe that our interests are aligned with our Clients. Low-cost transactions, as well as the ability to purchase and sell fractional shares, are significant benefits to Plan Sponsors and Plan Participants. Our relationship with COFI primarily benefits those Plans and Participants who execute transactions.

In order to keep our own expenses down, and to facilitate our ability to make fractional shares available, consolidated orders are submitted by the TPA's Trust Company to COFI. COFI, in turn, may further aggregate orders and route them to its clearing firm, Pershing for execution. When COFI aggregates orders, all Plan Sponsors are treated equally and the average share price is delivered. The price may be higher or lower than the price Plan Sponsors would receive if their trades had been executed individually.

We have a duty to seek best execution on transactions and we have policies in place to monitor the execution of trades through COFI and Pershing. COFI and Pershing are also obligated to seek best execution. Best execution may be enhanced by COFI's aggregation of orders. We are confident that the execution price obtained for any given transaction represents the best execution available at the time the order was routed to Pershing, in light of existing market conditions and other relevant factors.

Research and Other Soft Dollar Benefits

"Soft dollars" generally refers to arrangements whereby a discretionary investment adviser is allowed to pay for and receive research, research-related, or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

COA has no formal or informal arrangements to utilize research, research-related products and other services obtained from broker-dealers or third parties on a soft dollar commission basis. As discussed above, we do benefit from our affiliate's execution capabilities and obtain discounted pricing by directing all Plan assets and transactions to COFI. We are also able to access research reports and other services that Pershing makes available to COFI. These benefits are not, however, a factor in our decision to use our affiliate for execution. See Item 14, Client Referrals and Other Compensation, for more information on the benefits of our relationship with COFI.

Item 12—Review of Accounts

Periodic Reviews of 401(k) Services

Model Portfolios are reviewed quarterly by advisory staff under the direction of the Investment Committee. Adjustments to Model Portfolio holdings are made as needed. (See Item 16, Discretion, for more information.) All assets are held on an omnibus basis through the Plans' TPAs. All financial advice is limited to the Model Portfolios and made on a non-personalized basis. COA cannot see either individual Participant holdings or the holdings of individual Plans. Because the TPAs are responsible for recordkeeping and servicing, we do not review Plans or Participant accounts. Participants interested in having their accounts rebalanced may contact their respective TPA for information on one-time or regular automatic rebalancing options.

REVIEW TRIGGERS

Besides the scheduled quarterly reviews, other conditions can trigger a review of the investment options or the Model Portfolios, such as changes in market conditions, new investment information, and availability of investment products. Changes to the ETF options or to the Model Portfolios have, on average, been made 1-2 times per year.

REGULAR REPORTS

Reviewers are members of the firm's Investment Committee. Updates to portfolio structure and allocation are typically made the first of the month following the Investment Committee decision and are available via the ShareBuilder401k and Spark401k websites. COA provides an "Investment Roster Review" report to Plan sponsors as regular reviews occur. COA does not provide reports directly to Participants. Participants can view account holdings, activity and balances online or in paper as provided by the Participant's TPA. Participants are notified by us of any fund changes to the roster at least 30 days in advance.

Item 13—Client Referrals and Other Compensation

Referrals

COA receives a number of economic benefits from sharing resources with its affiliated broker-dealer, COFI. Pursuant to COFI's affiliate program, COFI has a number of relationships under which it pays referral fees for bringing new brokerage clients to COFI. This activity is separate from COA's own activities but will likely benefit COA as new COFI brokerage clients may also be interested in the services provided by COA.

COA receives the benefit of its affiliate's resources, including personnel and facilities, and the resulting cost-savings that accrue through management agreements between Capital One Holdings and COA, and COFI and COA. These agreements are believed to reflect the value received by COA.

COA may provide bonus incentives to its own employees for new client referrals. Examples of the incentives include gift cards for \$25 or less to online vendors or coffee stores.

COA maintains agreements with strategic partners who are paid a flat fee for the referral of new clients to COA for the purpose of purchasing retirement plan services. The referral fees paid to strategic partners are not passed on to COA clients. Rather, COA pays the flat fee to the

strategic partner for the courtesy of the client referral.

Further, as described above (in “Marketing Agreements and Referral Arrangements”), COA maintains referral arrangements with registered broker-dealers (“Solicitors”) and registered investment advisors (IAs) who refer new clients to COA for the purpose of purchasing retirement plan services from COA.

Through these arrangements, Solicitors and IAs receive compensation up to a maximum rate of 0.005 (50 basis points) annually of assets under management. This compensation is provided by COA to the Solicitor and IAs, and takes the form of an additional charge against assets under management beyond the maximum 75 basis points (.0075) COA charges annually. Should Plan Sponsors elect to enter into a new Plan purchase directly with COA, such charge would not be present.

Plan Sponsors must evaluate the additional services they receive from these providers to determine if those services are (1) necessary to the operation of the Plan and (2) if the additional fee is no more than reasonable compensation for the services received.

Clients purchasing Plans through Solicitors, or other IAs, will pay higher fees than those shown on COA’s Standard Fee Schedule.

Other Arrangements

COA has entered into significant relationships with unaffiliated TPAs. COA sells 401k plans and determines the appropriate TPA to support the plan. COA provides on-going general plan consulting and subsequent, investment services. The TPAs provide ongoing administrative services, as well as the individual participant accounting described in Item 5, Item 12, and in Item 15, and may also introduce new clients to COA. The fees charged under these arrangements are fully described in Item 5, Fees and Compensation.

We believe that the overall fees are reasonable and equivalent or better to what others charge at arm’s length.

Item 14—Custody

SEC Custody Requirements

Investment advisors are subject to specific rules governing how Client assets are maintained and accounted for. The rules are devised to ensure that appropriate protections are in place to prevent fraud or theft, and to assure the ongoing accuracy of records provided to clients detailing their holdings, transactions, and the valuation of their investments.

The SEC’s custody rules have several components, including the requirement to maintain all client assets with a “qualified custodian.” The idea behind this is to ensure that assets are kept with a regulated company that has in place the systems, procedures, and competencies necessary to properly account for client holdings and transactions.

We believe that COFI’s systems are sound and are well-designed to protect clients. At the same time, we believe it’s important for you to understand our custody arrangements.

We maintain arrangements with several different entities to handle transactions, hold customer assets, charge advisory fees, and provide account statements. COA does not have direct access to any Participant’s account, but COA’s affiliate, COFI, does have direct access to aggregated assets because of its omnibus arrangement with Pershing LLC, the qualified

custodian ultimately holding all COA Plan and Participant assets. Because our affiliate has this direct access, COA is also deemed to have custody of client assets.

The TPA selected by the Plan Sponsor maintains all data regarding individual Plans, including the transactions and holdings specific to Participants. The Trust Company of each TPA sends COFI trade information on an aggregated basis, and COFI in turn routes orders to Pershing for execution. At no time does COFI or Pershing know the identity of the individual Plan Participants or Plan Sponsors originating the orders. COFI has detailed procedures and systems in place to reconcile its own records with those of Pershing. COFI then passes trade and holding information back to the TPA on an aggregated basis. The TPA is then responsible for accounting for all transactions and positions at the individual Plan and Participant level and for delivering statements. Clients are highly dependent on the accuracy of the systems used by the TPAs to account for their invested assets. Neither COA nor COFI has control over these systems.

Account Statements

The TPAs provide statements of activity via sub-accounting to the Plan Sponsor and the end Participant. COA, COFI and Pershing do not account for Participant holdings separately or otherwise provide reporting on an individualized basis. Clients should review the statements received from the TPAs carefully and notify both COA and the TPA of any discrepancies immediately.

Item 15—Investment Discretion

Discretionary Authority for Trading

For 401(k) Plans, COA's Investment Committee is solely responsible to determine the investment options made available through our platform, as well as the construction of the Model Portfolios, including changes to their make-up and allocation. Participants and Plans do not have the choice of retaining ETFs that are no longer offered by the Program.

When the Investment Committee chooses to remove and replace an ETF offered on the 401(k) Services platform, we will notify the TPAs of the change. We and the TPAs will notify the Plans and Participants of the ETF change and transaction date. On the transaction date, all investments in the ETF being removed are sold and the proceeds are used to purchase the ETF being added in its place for all Participants and Plans.

When the Investment Committee removes or replaces an ETF used in a Model Portfolio, and/or changes the percentage allocation for any of the ETFs in a Model Portfolio, we notify the TPAs of the change. We and/or the TPAs will notify the Plans of the Model Portfolio change and effective date.

For these reasons, the Investment Committee is considered to have discretion with respect to the 401(k) Program accounts. The discretion is exercised on an intermittent basis, in the instance when an ETF is removed and/or replaced in the Program and when making changes to the allocation or construction of a Model Portfolio.

Item 16—Voting Client Securities

Proxy Voting

COA does not vote proxies on securities. Under the 401(k) program, Participants are expected to vote their own proxies, as applicable.

Item 17—Financial Information

Financial Condition

COA does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.