



Capital Advantage, Inc.

3470 Mount Diablo Boulevard, Suite A215

Lafayette, California 94549

925.299.1500

www.capitaladvantage.com

March 28, 2018

Item 1 – Cover Page

This Brochure provides information about the qualifications and business practices of Capital Advantage, Inc. If you have any questions about the contents of this Brochure, please contact us at 925.299.1500 or info@capitaladvantage.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.

Capital Advantage, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

Item 2 – Material Changes

The following discussion of material changes to this brochure includes only material changes made since the last annual brochure update submitted on March 31, 2017.

Material Changes:

None.

Although not material, this brochure has been amended at Item 4 to disclose Capital Advantage, Inc.'s status as a fiduciary in certain instances under the Department of Labor's Fiduciary Rule.

Capital Advantage, Inc. encourages all current and prospective clients to review this brochure in its entirety.

We will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge.

Our Brochure may be requested by contacting Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 or info@capitaladvantage.com. Our Brochure is also available on our web site www.capitaladvantage.com, free of charge.

Additional information about Capital Advantage, Inc. is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Capital Advantage, Inc. who are registered as investment adviser representatives of Capital Advantage, Inc.

Item 3 - Table of Contents

| | |
|---|-----|
| Item 1 – Cover Page | i |
| Item 2 – Material Changes | ii |
| Item 3 – Table of Contents | iii |
| Item 4 – Advisory Business | 1 |
| Item 5 – Fees and Compensation | 2 |
| Item 6 – Performance-Based Fees and Side-By-Side Management..... | 3 |
| Item 7 – Types of Clients | 3 |
| Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss..... | 3 |
| Item 9 – Disciplinary Information | 4 |
| Item 10 – Other Financial Industry Activities and Affiliations..... | 4 |
| Item 11 – Code of Ethics..... | 4 |
| Item 12 – Brokerage Practices | 5 |
| Item 13 – Review of Accounts..... | 5 |
| Item 14 – <i>Client</i> Referrals and Other Compensation..... | 6 |
| Item 15 – Custody..... | 7 |
| Item 16 – Investment Discretion..... | 7 |
| Item 17 – Voting <i>Client</i> Securities..... | 7 |
| Item 18 – Financial Information | 7 |
| Brochure Supplement(s) | |

Item 4 – Advisory Business

Capital Advantage, Inc., a California corporation, is a SEC registered investment adviser, initially registered in September 1998. Capital Advantage, Inc. offers a combination of advisory services, broadly described as Investment Management Services and Financial Planning Services, as more fully described below.

Capital Advantage, Inc.'s Founder and President John S. Hayman owns between 75% and 100% of the equity of the firm, Executive Vice President & Senior Financial Advisor Donna Zinman owns between 0% and 5% of the equity of the firm, Chief Compliance & Operating Officer Dawnalizabeth Henke owns between 0% and 5% of the equity of the firm, Director of Investment Management Colin Taylor owns between 0% and 5% of the equity of the firm, and Senior Financial Advisor Ian Castille owns between 0% and 5% of the equity of the firm.

Capital Advantage, Inc. offers two types of investment advisory services:

(a) Investment Management Services

Capital Advantage, Inc. provides discretionary management of client assets. Through personal discussions with the client, we establish the client's financial goals and objectives based on their unique circumstances. We help the client develop their personal investment strategy based upon their financial goals, investment objectives and risk tolerance, and manage the portfolio based on the agreed upon strategy. When we select the investments for the client's portfolio, we are guided by the client's specifications, which may include capital appreciation, growth, income, growth and income or some other variation.

Clients may impose reasonable restrictions on investing in certain securities or types of securities. Capital Advantage, Inc. requires that such restrictions be included in a written (hard copy or electronic) authority statement (generally as part of the client's Investment Advisory Agreement with us and as amended from time to time). Clients may update these restrictions as desired by submitting a request in writing (hard copy or electronic).

Item 5, "Fees and Compensation" provides additional information regarding how and when Capital Advantage, Inc. charges management fees.

(b) Financial Planning Services

Capital Advantage, Inc. may also provide clients with financial planning advice for no additional fee if requested and engaged to do so. We gather required information through in-depth personal interviews with the client. We may ask the client about their current financial status, future goals, and attitudes towards risk. We carefully review any appropriate documentation that clients provide. In general, financial planning discussions may address any or all of the following areas that may be of concern to the client:

1. Personal: Budgeting, personal liability, estate information, marital status changes, and financial goals.
2. Education: Education IRAs, financial aid, state savings plans, grants and general assistance in preparing to meet the client's dependents continuing educational needs.
3. Investment Tax and Cash Flow: Income tax planning and spending analysis. For example, we may illustrate the impact of various investments on the client's current income tax and future tax liability.
4. Death and Disability: Cash needs at death, income needs of surviving dependents, inheritance and estate planning, and disability income analysis.
5. Retirement: Analysis of current strategies and investment plans to help the client achieve their retirement goals.
6. Investment: Analysis, allocation and planning of investment selections, and their effect on the client's portfolio.

Clients may terminate the Financial Planning & Consulting Agreement at any time.

If clients choose to implement the recommendations discussed in the financial planning consultation, we highly recommend that they also work closely with their attorney, accountant, and/or insurance agent. Implementation of financial planning recommendations is entirely at the client's discretion. We may recommend service providers to help the client implement our recommendations. Clients are under no obligation to engage the services of any recommended professional. If the client engages a recommended professional, and a dispute arises thereafter, the client agrees to seek recourse exclusively from and against the engaged professional. It remains the client's responsibility to notify Capital Advantage, Inc. promptly if there is ever any change in their financial situation or investment objectives so that Capital Advantage, Inc. can review, and if necessary, revise its previous recommendations or services.

Neither Capital Advantage, Inc., nor any of its representatives, serves as an attorney, accountant, or insurance agent, and no portion of Capital Advantage, Inc.'s services should be viewed as legal or accounting services. Capital Advantage, Inc. financial planning recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. All recommendations are of a generic nature.

(c) Total Client Assets under Management

As of December 31, 2017, the calculated amount of client assets managed by Capital Advantage, Inc. was approximately \$661,300,000 on a discretionary basis. Capital Advantage, Inc. does not manage assets on a non-discretionary basis.

(d) Miscellaneous

Wrap Fees. Capital Advantage, Inc. does not participate in wrap fee programs.

ERISA/IRC Fiduciary Acknowledgment. If a client is: (i) a retirement plan ("Plan") organized under the Employee Retirement Income Security Act of 1974 ("ERISA"); (ii) a participant or beneficiary of a Plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code (the "Code"), with the authority to direct the investment of assets in his or her Plan account or to take a distribution; (iii) the beneficial owner of an Individual Retirement Account ("IRA") acting on behalf of the IRA, or (iv) a Retail Fiduciary with respect to a plan subject to Title I of ERISA or described in section 4975(e)(1)(A) of the Internal Revenue Code, then Capital Advantage, Inc. represents that it and its representatives are fiduciaries under ERISA or the Code, or both, with respect to any investment advice provided by Capital Advantage, Inc. or its representatives or with respect to any investment recommendations regarding an ERISA Plan or participant or beneficiary account.

Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Capital Advantage, Inc.) will be profitable or equal any specific performance level(s).

Client Obligations. In performing its services, Capital Advantage, Inc. is not required to verify any information received from the client or from the client's other professionals. It remains the client's responsibility to notify Capital Advantage, Inc. promptly if there is ever any change in their financial situation or investment objectives so that Capital Advantage, Inc. can review, and if necessary, revise its previous recommendations or services.

ByAllAccounts. Capital Advantage, Inc., in conjunction with the services provided by ByAllAccounts, Inc., may also provide periodic comprehensive reporting services, which can incorporate all of the client's investment assets, including those investment assets that are not part of the assets managed by Capital Advantage, Inc. (the "Excluded Assets"). The client or their other advisors that maintain trading authority are exclusively responsible for the supervision and investment performance of the Excluded Assets. Capital Advantage, Inc.'s service for the Excluded Assets is limited to reporting and non-discretionary consulting services only, which does not include investment implementation. Capital Advantage, Inc. does not have trading authority for the Excluded Assets. The client or their other investment professional remains exclusively responsible for implementing any recommendations provided by Capital Advantage, Inc. on the Excluded Assets. Capital Advantage, Inc. is not responsible for any implementation error (timing, trading, etc.) on the Excluded Assets. If the client desires that Capital Advantage, Inc. provide discretionary investment management services to the Excluded Assets, the client may engage Capital Advantage, Inc. pursuant to the terms and conditions of an Investment Advisory Agreement between Capital Advantage, Inc.

Item 5 – Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by Capital Advantage, Inc. is established in a written agreement between each client and Capital Advantage, Inc. Capital Advantage, Inc. offers investment advisory services for a percentage of assets under management.

Capital Advantage, Inc. generally bills its fees within one month of the end of each calendar quarter, payable in arrears. Unless otherwise arranged, we directly debit fees from client accounts. Management fees are based on the total value of the client's accounts, including cash and accrued interest, and are prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated during a calendar quarter will be charged a prorated fee, and for accounts that are terminated, the fee will be prorated to the date of termination.

Capital Advantage, Inc. believes its fees are competitive; however, lower fees for comparable services may be available from other sources. Our fees for investment management services commonly range between 0.45% and 1.5% annually (0.1125% to 0.375% quarterly) on the balance of client assets under management. Capital Advantage, Inc. has minimum account fees for investment management services ranging from \$250 to \$1,250 per quarter. The minimum fee may be waived. Criteria commonly used to adjust the fee schedule and/or minimum fee are:

1. Date of acquisition
2. Additional services requested
3. Account investment objective
4. Prospective additional business
5. Amount of assets under management

Capital Advantage, Inc.'s fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses, which clients remain responsible for paying. Clients may incur certain charges imposed by custodians, brokers, third party investment advisers and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. These fees and expenses are in addition to Capital Advantage, Inc.'s fee. Capital Advantage, Inc. and its supervised persons do not receive any portion of these fees and expenses. Nor does it receive compensation from the sale of any securities or investment products.

Capital Advantage, Inc. primarily implements the client's investment strategy by investing in no-load mutual funds and exchange traded funds. Mutual funds and exchange-traded fund investors incur additional fees and expenses that are borne by each

shareholder (i.e., management fees) and are disclosed in each fund's prospectus. Clients could invest in a mutual fund or exchange-traded fund directly, without the services of Capital Advantage, Inc. In that case, clients would not receive the services provided by Capital Advantage, Inc., which are designed, among other things, to assist the client in determining which securities are most appropriate for their individual financial situation and investment strategy.

Capital Advantage, Inc. has set its rates to take into consideration these additional charges - if any. However, Capital Advantage, Inc. recommends that clients review the fees charged by the funds, custodians and broker dealers and the fees charged by Capital Advantage, Inc. to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

Item 12, "Brokerage Practices" further describes the factors that Capital Advantage, Inc. considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (i.e. commissions).

Item 6 – Performance-Based Fees and Side-By-Side Management

Registered investment advisers are required to disclose all material facts regarding performance-based fees and the simultaneous management of accounts that may have alternative fee arrangements. Capital Advantage, Inc. 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). Furthermore, we have procedures designed and implemented to ensure that all of our clients are treated fairly and equally, and to help prevent conflicts from influencing the allocation of investment opportunities among our clients.

Item 7 – Types of Clients

Capital Advantage, Inc. offers its advisory services to individuals, high net worth individuals, trustees, pension and profit-sharing plans, charitable organizations and corporations or other business entities.

Participation in advisory services requires a minimum portfolio size of \$500,000. The minimum portfolio size of \$500,000 may be waived for our clients based on individual client circumstances. Additionally, certain related accounts may be aggregated for the purpose of achieving the minimum account size.

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

Capital Advantage, Inc. reviews several indicators to ascertain when and if these indicators support the purchase or sale of specific types of investments for our client portfolios. Some of the indicators that we may use in our decision-making process include investor sentiment, money supply, consumer confidence, consumption and distribution, inventories and orders, housing and inflation, employment, yield curve/ interest rates, monetary policy, and political factors, among others.

We use a variety of methods to evaluate the overall financial market, market sectors, mutual funds and other various types of securities. Depending upon the type of investment, we will use a combination of fundamental and technical analysis. Fundamental analysis involves analyzing real data, including overall economic and company-specific information available to determine the value of a particular investment. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns in an effort to predict future activity. In performing these analyses, we complete our own internal research and analysis, consult company annual reports and other regulatory filings, review financial newspapers and periodicals, as well as receive research and analysis from third parties such as Charles Schwab & Co., Inc. ("Schwab"), Morningstar and Value Line.

Capital Advantage, Inc. invests primarily in no-load mutual funds and exchange traded funds, but portfolios may also include individual equities, individual corporate and municipal bonds, CDs and other investment products, if appropriate. The client will retain ownership of all securities. Capital Advantage, Inc. allocates assets among various investments taking into account the client's overall investment strategy.

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Risk refers to the uncertainty that the actual return the investor realizes could differ from the expected return. Risks may be systematic, referring to factors that affect the returns on all comparable investments and that affect the market as a whole. Systematic risks include market risk, interest rate risk, reinvestment rate risk, purchasing power risk and exchange rate risk. Unsystematic risks depend on factors that are unique to the specific investment security. These risks include business risk and financial risk.

Some of the general risks associated with parts of our investment strategy include:

1. **Short-Term Purchases:** On occasion, and generally only for tax management purposes, we may determine to buy or sell securities in a client account and hold them for less than one year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.
2. **Fixed Income and Bond Pricing:** Fixed income investing involves credit risk, interest rate risk (when interest rates rise, bond/fund prices generally fall), and inflation or reinvestment risks. Below-investment-grade ("junk") bonds are more at risk of default than other bond investments and are subject to liquidity risk. The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a

competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

3. Inflation: Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.
4. Price Fluctuation: Security prices do fluctuate (except for cash or cash equivalents) and the client must accept the risk associated with fluctuations or change to a more appropriate investment objective in alignment with the client's risk tolerance. Investing in securities involves risk of loss that the client should be prepared to bear.
5. Reinvestment of Dividends: An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This is an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned.
6. Mutual Funds with Foreign Asset Holdings: Any investments in mutual funds that make foreign investments entail special risks (such as currency fluctuations and political factors) and may have higher expenses and volatility. Investments in emerging and developing markets may be especially volatile. The client will bear more risk and may earn a substantially higher return or a substantially lower return.
7. Short Sale Trading: Short sale trading, or "shorting", involves a great amount of risk and is not advocated by Capital Advantage, Inc., nor is it a part of our investment strategy. In rare instances, short selling may be used as directed by our clients to achieve specific goals.
8. Margin Trading: Capital Advantage, Inc. does not advocate leverage as a part of its investment strategy. In rare cases, and generally only for short term financing considerations, the client may elect to assume a margin balance on the client's investment account. The client's account custodian may require a percentage of assets under management to be pledged as collateral for the margin amount. The client risks that in a falling market, the pledged collateral will be insufficient to cover a margin call by the account custodian. Consequently, all margin decisions are left to the clients.
9. Option Trading: Option securities are complex derivatives of equity securities that incorporate certain leverage characteristics and as such carry an increased risk of investment loss. Option trading is not advocated by Capital Advantage, Inc., nor is a part of our investment strategy.

Should clients choose to follow high-risk strategies, they may incur significant losses - as much as all of the assets they have invested in this manner. Capital Advantage, Inc. strongly recommends that clients diversify their investments and not commit all of their assets to high risk investment strategies.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the client's evaluation of Capital Advantage, Inc. or the integrity of Capital Advantage, Inc.'s management. Capital Advantage, Inc. has no information applicable to this Item, as no disciplinary history exists for Capital Advantage, Inc. and/or its associated persons.

Item 10 – Other Financial Industry Activities and Affiliations

Registered investment advisers are required to disclose all material facts regarding other financial industry activities and affiliations that could be material to the client's evaluation of Capital Advantage, Inc. and Capital Advantage, Inc.'s management.

Capital Advantage, Inc. is not involved in any business activities that could be material to the client's evaluation of Capital Advantage, Inc. and Capital Advantage, Inc.'s management.

Item 11 – Code of Ethics

Capital Advantage, Inc. has adopted a Code of Ethics for all its supervised persons describing its high standard of business conduct and fiduciary duty to its clients and compliance with applicable securities laws. Our Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Capital Advantage, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

Capital Advantage, Inc. anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Capital Advantage, Inc. has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Capital Advantage, Inc., its affiliates and/or clients, directly or indirectly, have a position of interest. Capital Advantage, Inc.'s employees and persons associated with Capital Advantage, Inc. are required to follow our Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Capital Advantage, Inc. and its affiliates may trade for their own accounts in securities that are recommended to or purchased for Capital Advantage, Inc.'s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Capital Advantage, Inc. will not interfere with (i) making decisions in the best interest of clients and (ii)

implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code of ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Capital Advantage, Inc.'s clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Capital Advantage, Inc. and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Capital Advantage, Inc.'s obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Capital Advantage, Inc. will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order.

Capital Advantage, Inc.'s clients or prospective clients may request a copy of our Code of Ethics by contacting Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 or info@capitaladvantage.com.

It is Capital Advantage, Inc.'s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Capital Advantage, Inc. will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

Item 12 – Brokerage Practices

In the event that the client requests that Capital Advantage, Inc. recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Capital Advantage, Inc. to use a specific broker-dealer/custodian), Capital Advantage, Inc. generally recommends that accounts be maintained at Schwab or Fidelity. Prior to engaging Capital Advantage, Inc. to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Capital Advantage, Inc. setting forth the terms and conditions under which Capital Advantage, Inc. shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Capital Advantage, Inc. considers in recommending Schwab or Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with Capital Advantage, Inc., financial strength, reputation, execution capabilities, pricing, research, and service. In addition, Capital Advantage, Inc. maintains a referral relationship with Schwab, discussed below in Item 14. Although the commissions and transaction fees paid by Capital Advantage, Inc.'s clients comply with Capital Advantage, Inc.'s duty to seek best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to affect the same transaction. In these instances, Capital Advantage, Inc. generally will be required to determine, in good faith, that the additional charge is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Capital Advantage, Inc. will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are in addition to Capital Advantage, Inc.'s investment management fee. Capital Advantage, Inc.'s best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

Research and Additional Benefits. Although not a material consideration when determining whether to recommend that a client use the services of a particular broker-dealer/custodian, Capital Advantage, Inc. receives from Schwab and Fidelity (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products that assist Capital Advantage, Inc. to better monitor and service client accounts at these institutions. Capital Advantage, Inc. also receives investment-related research, pricing information, market data, software and other technology that provide access to client account data. It can also take advantage of compliance and practice management-related publications, discounted or free consulting services, discounted or free attendance at conferences, meetings, and other educational and social events. From time to time, Capital Advantage, Inc. may also be offered marketing support, computer hardware or software, and other products that further its investment advisory business operations.

As indicated above, certain support services and products assist Capital Advantage, Inc. in managing and administering client accounts. Others do not directly provide this assistance, but rather assist Capital Advantage, Inc. to manage and further develop its business enterprise. In 2017, Capital Advantage, Inc. entered into an agreement with Schwab to receive a courtesy discount of up to \$10,000 for products and services that Schwab typically charges registered investment advisers.

Capital Advantage, Inc.'s clients do not pay more for investment transactions effected or assets maintained at Schwab or Fidelity because of this arrangement. There is no corresponding commitment made by Capital Advantage, Inc. to Schwab or Fidelity or any

other any entity to invest any specific amount or percentage of client assets in any specific securities or other investment products as result of this arrangement.

Capital Advantage, Inc.'s Chief Compliance Officer, Dawnalizabeth Henke, remains available to address any questions that a client or prospective client may have regarding this arrangement and the conflicts of interest this arrangement creates.

Item 13 – Review of Accounts

(a) Investment Management Services:

Client accounts are reviewed by one or more of the investment adviser representatives employed by Capital Advantage, Inc., including John Hayman (President), Donna Zinman (Executive Vice President & Senior Financial Advisor), Ian Castille (Senior Financial Advisor), Benjamin Agron (Financial Advisor), Colin Taylor (Director of Investment Management), Catherine Norris (Senior Service Advisor), Jeannie Churchill (Senior Service Advisor), Casie Stanley (Senior Client Service Representative), Jeff Giguere (Client Service Representative) and/or Dawnalizabeth Henke (Chief Compliance & Operating Officer). While the underlying securities within client accounts are continuously monitored, each account is reviewed at least once annually. More frequent reviews of the account may be triggered by material changes in variables such as the client's individual circumstances, deposit and withdrawal activity, market highs and lows, investment objective changes, economic factors, interest rates, political changes, and other variables.

(b) Financial Planning Services:

Financial plans, updates and special analysis work is prepared or reviewed by one or more of the investment adviser representatives employed by Capital Advantage, Inc. While reviews may occur at different stages depending on the nature and terms of the specific engagement of Capital Advantage, Inc., financial plans are typically updated as fundamental factors arise and at the client's complete discretion.

(c) Reports:

In addition to the monthly statements and confirmations of transactions that the client receives from their custodian, Capital Advantage, Inc. will provide written and/or electronic quarterly reports summarizing account performance, balances and holdings. We urge clients to compare the written reports prepared and provided by Capital Advantage, Inc. to those reports that they receive directly from their custodian. In addition, if the client elected to have their advisory fees debited directly from their account, we urge the client to compare and review the calculation and fee paid to Capital Advantage, Inc. against valuations included in their custodial statements. Item 15 - Custody - further describes additional types and frequency of reports available.

Item 14 – Client Referrals and Other Compensation

Capital Advantage, Inc. receives economic benefits from Schwab and Fidelity. Our firm, without cost (and/or at a discount), may also receive support services and products from Schwab and Fidelity. Item 12, "Brokerage Practices" further describes the support services and products that Capital Advantage, Inc. receives from Schwab and Fidelity.

If a client is introduced to Capital Advantage, Inc. by either an unaffiliated or an affiliated solicitor, Capital Advantage, Inc. will pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940. Capital Advantage, Inc. pays referral fees solely from its investment management fee and does not impose any additional charge on the client. If the client is introduced to Capital Advantage, Inc. by an unaffiliated solicitor, the solicitor, will disclose the nature their relationship, and provide each prospective client with the most current copy of this Brochure and a separate written disclosure statement disclosing the terms of the arrangement with Capital Advantage, Inc., including the compensation to be paid by Capital Advantage, Inc.

Schwab Referrals. Capital Advantage, Inc. receives client referrals from Schwab through its participation in Schwab Advisor Network™ ("the Service"), designed to help investors find an independent investment adviser. Schwab is a broker-dealer independent of and unaffiliated with Capital Advantage, Inc. Schwab does not supervise Capital Advantage, Inc. and has no responsibility for Capital Advantage, Inc.'s management of clients' portfolios or Capital Advantage, Inc.'s other advice or services. Capital Advantage, Inc. pays Schwab fees to receive client referrals through the Service. Capital Advantage, Inc.'s participation in the Service raises conflicts of interest described below.

Capital Advantage, Inc. pays Schwab a "Participation Fee" on all referred clients' accounts maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Capital Advantage, Inc. is a percentage of the fees owed by the client to Capital Advantage, Inc. or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Capital Advantage pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Capital Advantage, Inc. quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Capital Advantage, Inc. and not by the client. Capital Advantage, Inc. has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Capital Advantage, Inc. charges clients with similar portfolios who were not referred through the Service.

Capital Advantage, Inc. generally pays Schwab a "Non-Schwab Custody Fee" if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab, unless the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed

in custody other than at Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Capital Advantage, Inc. generally would pay in a single year. Thus, Capital Advantage, Inc. will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Capital Advantage, Inc.'s clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Capital Advantage, Inc. will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Capital Advantage, Inc.'s fees directly from the accounts.

For accounts of Capital Advantage, Inc.'s clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Capital Advantage, Inc.'s clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades to be executed through Schwab rather than another broker-dealer. Capital Advantage, Inc. nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Capital Advantage, Inc.'s other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

Capital Advantage, Inc.'s Chief Compliance Officer, Dawnalizabeth Henke, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the conflict of interest these arrangements create.

Item 15 – Custody

Under government regulations, we are deemed to have custody of client assets if the client authorizes us to instruct their custodian to deduct our advisory fees directly from their account. The client's custodian maintains actual custody of the assets. The client will receive account statements from the custodian that holds and maintains their investment assets at least quarterly. These statements will be sent to the email address or postal mailing address that the client has provided to the custodian. Capital Advantage, Inc. urges clients to carefully review such statements and compare such official custodial records to the account statements that we provide to them, including the calculation of our advisory fee if directly debited, as discussed in Item 13 above. Capital Advantage, Inc.'s statements may vary from custodian statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities or dates of recognition of dividend and/or interest payments.

Item 16 – Investment Discretion

Capital Advantage, Inc. typically receives discretionary authority from clients at the outset of an advisory relationship 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 objective for the particular client account. When selecting securities and determining amounts, Capital Advantage, Inc. observes the investment objectives, limitations and restrictions of the clients for which we advise. Prior to exercising discretionary authority for client accounts, clients are required to execute a written limited power of attorney authorizing the broker dealer/custodian to execute trades initiated by Capital Advantage, Inc. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Clients may impose reasonable restrictions on investing in certain securities or types of securities. Capital Advantage, Inc. requires that such restrictions be included in a written (hard copy or electronic) authority statement (generally as part of the client's Investment Advisory Agreement with us and as amended from time to time). Clients may update these restrictions as desired by submitting a request in writing (hard copy or electronic).

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Capital Advantage, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for all securities maintained in their portfolios. Capital Advantage, Inc. may, however, provide advice to clients regarding their voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about Capital Advantage, Inc.'s financial condition. Capital Advantage, Inc. has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to our clients and has not been the subject of a bankruptcy proceeding.

QUESTIONS: Capital Advantage, Inc.'s Chief Compliance Officer, Dawnalizabeth Henke, remains available to address any questions regarding this Part 2A.

John Hayman

Capital Advantage, Inc.

3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about John Hayman that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about John Hayman is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

John Hayman, born 1957, received a B.A. in Environmental Science from the University of California, Berkeley (Berkeley, CA) in 1981.

Business Background

| | |
|---------------|--|
| 06/98-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, President |
| 03/82-07/99 | Capital Advantage, Lafayette, CA Investment Advisor, Owner |
| 01/85-07/93 | Capital Advantage Insurance Services, Lafayette, CA Insurance, General Agent |
| 03/87-05/92 | Planners Independent Management, Oakland, CA Securities, Registered Principal |
| 02/81-03/87 | Associated Planners Securities Corporation, Oakland, CA Securities, Registered Representative |

Professional Designations

Certified Financial Planner (CFP®) – 1986

The CFP® designation is issued by the Certified Financial Planner Board of Standards, Inc. In order to receive a CFP® designation, the candidate must have a bachelor's degree or higher from an accredited college or university and have 3 years of full-time personal financial planning experience. In addition, the candidate must complete a CFP® board-registered program or hold one of the following: CPA, ChFC, Chartered Life Underwriter (CLU), CFA, Ph.D. in business or economics, Doctor of Business Administration or attorney's license. Once the designation is earned, the CFP® must complete 30 hours of continuing education every 2 years.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

John Hayman is not involved in any other business activities.

Item 5- Additional Compensation

John Hayman does not receive any economic benefit from any non-client for providing advisory services. Mr. Hayman is an owner of Capital Advantage, Inc., and may receive profits of the company after expenses.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Donna Zinman

Capital Advantage, Inc.
3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Donna Zinman that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Donna Zinman is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Donna Zinman, born 1962, received a B.S. in Business Administration from San Francisco State University (San Francisco, CA) in 1986, an M.B.A. from Golden Gate University (San Francisco, CA) in 1995, and a Certificate in Personal Financial Planning from University of California, Berkeley (Berkeley, CA) in 2003.

Business Background

| | |
|---------------|--|
| 01/11-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Executive Vice President |
| 01/05-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Senior Financial Advisor |
| 12/96-01/05 | Charles Schwab & Co., Inc., San Francisco, CA Broker/Dealer, Financial Consultant |
| 10/91-12/96 | Charles Schwab & Co., Inc., San Francisco, CA Broker/Dealer, Human Resources Specialist |
| 02/89-08/90 | Wells Fargo Bank, San Francisco, CA Financial Services, Bank Officer |

Professional Designations

Chartered Retirement Planning Counselor (CRPC®) – 2011

The CRPC® designation is issued by the College for Financial Planning. In order to receive a CRPC® designation, the candidate must complete an online instructor led or self-study course. Once the designation is earned, the CRPC® must complete 16 hours of continuing education every 2 years.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Donna Zinman is not involved in any other business activities.

Item 5- Additional Compensation

Donna Zinman does not receive any economic benefit from any non-client for providing advisory services. Ms. Zinman is an owner of Capital Advantage, Inc., and may receive profits of the company after expenses.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Dawnalizabeth Henke

Capital Advantage, Inc.

3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Dawnalizabeth Henke that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299-1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Dawnalizabeth Henke is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Dawnalizabeth Henke, born 1980, received a B.A. in History from California State University, East Bay (Hayward, CA) in 2004, an M.S. in Financial Analysis and Investment Management from Saint Mary's College of California (Moraga, CA) in 2007, and an M.B.A. from Saint Mary's College of California (Moraga, CA) in 2009.

Business Background

| | |
|---------------|---|
| 09/10-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Chief Operating Officer |
| 08/06-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Chief Compliance Officer |
| 03/98-07/06 | Catalyst Financial Planning & Investment Management, Inc., Oakland, CA Investment Advisor, Financial Analyst |

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Dawnalizabeth Henke is not involved in any other business activities.

Item 5- Additional Compensation

Dawnalizabeth Henke does not receive any economic benefit from any non-client for providing advisory services. Ms. Henke is an owner of Capital Advantage, Inc., and may receive profits of the company after expenses.

Item 6 - Supervision

Dawnalizabeth Henke is Capital Advantage, Inc.'s Chief Compliance Officer and is responsible for supervising the activities of its supervised persons. However, other employees review her trading activity and she reports directly to John Hayman.

Ian Castille

Capital Advantage, Inc.
3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Ian Castille that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Ian Castille is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Ian Castille, born 1983, received a B.A. in Business Administration from Walla Walla University (College Place, WA) in 2005.

Business Background

| | |
|---------------|--|
| 05/12-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Senior Financial Advisor |
| 10/10-05/12 | Kuhlmann Associates Financial, Napa, CA Financial Services, Registered Client Associate |
| 04/09-10/10 | Bank of America, Lafayette, CA Financial Services, Personal Banker |
| 07/08-12/08 | TD Ameritrade, Walnut Creek, CA Broker/Dealer, Investment Consultant |
| 10/06-07/08 | Bank of America, Lafayette, CA Financial Services, Premier Client Manager |
| 03/06-10/06 | Wells Fargo, Walnut Creek, CA Financial Services, Licensed Banker |
| 07/05-03/06 | Wells Fargo, Walnut Creek, CA Financial Services, Personal Banker |

Professional Designations

Certified Financial Planner (CFP®) – 2009

The CFP® designation is issued by the Certified Financial Planner Board of Standards, Inc. In order to receive a CFP® designation, the candidate must have a bachelor's degree or higher from an accredited college or university and have 3 years of full-time personal financial planning experience. In addition, the candidate must complete a CFP® board-registered program or hold one of the following: CPA, ChFC, Chartered Life Underwriter (CLU), CFA, Ph.D. in business or economics, Doctor of Business Administration or attorney's license. Once the designation is earned, the CFP® must complete 30 hours of continuing education every 2 years.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Ian Castille is not involved in any other business activities.

Item 5- Additional Compensation

Ian Castille does not receive any economic benefit from any non-client for providing advisory services. Mr. Castille is an owner of Capital Advantage, Inc., and may receive profits of the company after expenses.

Item 6 – Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Benjamin Agron

Capital Advantage, Inc.

3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Benjamin Agron that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Benjamin Agron is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Benjamin Agron, born 1981, received a B.A. in History from California Polytechnic University, San Luis Obispo (San Luis Obispo, CA) in 2003.

Business Background

| | |
|---------------|--|
| 01/15-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Financial Advisor |
| 01/13-02/14 | Mechanics Bank/LPL Financial, Walnut Creek, CA Financial Services, Financial Advisor |
| 01/12-01/13 | Wells Fargo Advisors, Danville, CA Financial Services, Financial Advisor |
| 01/09-01/12 | Wells Fargo Bank/Investors/Advisors, San Ramon, CA Financial Services, Private Banker |
| 09/04-10/09 | Wells Fargo Bank, Alamo/San Ramon, CA Financial Services, Bank Manager |
| 09/03-09/04 | Wells Fargo Bank, San Ramon, CA Financial Services, Bank Officer |

Professional Designations

Chartered Retirement Planning Counselor (CRPC®) – 2015

The CRPC® designation is issued by the College for Financial Planning. In order to receive a CRPC® designation, the candidate must complete an online instructor led or self-study course. Once the designation is earned, the CRPC® must complete 16 hours of continuing education every 2 years.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this item.

Item 4- Other Business Activities

Benjamin Agron is not involved in any other business activities.

Item 5- Additional Compensation

Benjamin Agron does not receive any economic benefit from any non-client for providing advisory services.

Item 6 – Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Colin Taylor
Capital Advantage, Inc.
3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Colin Taylor that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Colin Taylor is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Colin Taylor, born 1979, received a B.A. in Economics and Business from The Colorado College (Colorado Springs, CO) in 2001.

Business Background

| | |
|---------------|---|
| 08/14-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Director of Investment Management |
| 05/11-08/14 | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Portfolio Manager |
| 07/06-05/11 | Catalyst Financial Planning & Investment Management, Corp., Oakland, CA Investment Advisor, Director of Operations |
| 11/03-07/06 | Advent Software, Inc., San Francisco, CA Information Technology, Product Manager |
| 07/02-11/03 | Techfi Corporation, Denver, CO Information Technology, Senior Data Analyst |
| 07/01-07/02 | Prima Capital Holding Corp., Denver, CO Financial Services, Mutual Fund Analyst |

Professional Designations

Chartered Financial Analyst (CFA) – 2014

The Chartered Financial Analyst (CFA) designation is issued by the CFA Institute. CFA candidates must meet one of the following requirements: (1) undergraduate degree and four years of professional experience involving investment decision-making, or (2) four years qualified work experience (full time, but not necessarily investment- related). To receive the CFA designation, candidates must complete the CFA Program which is organized into three levels, each requiring 250 hours of self-study and each culminating in a six-hour exam. There are no ongoing continuing education or experience thresholds necessary to maintain the CFA designation.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Colin Taylor is not involved in any other business activities.

Item 5- Additional Compensation

Colin Taylor does not receive any economic benefit from any non-client for providing advisory services. Mr. Taylor is an owner of Capital Advantage, Inc., and may receive profits of the company after expenses.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Catherine Norris

Capital Advantage, Inc.
3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Catherine Norris that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Catherine Norris is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Catherine Norris, born 1957, has no formal education after high school.

Business Background

| | |
|---------------|--|
| 07/08-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Senior Service Advisor |
| 10/03-06/08 | Mosaic Investments, San Francisco, CA Investment Advisor, Operations Manager |
| 07/90-09/03 | Pacific Equity Management, Oakland, CA Investment Advisor, Office Manager |

Professional Designations

Registered Paraplanner (RP®) – 2011

The Registered Paraplanner designation is issued by the College for Financial Planning. In order to receive a RP® designation, the candidate must complete a course of study encompassing the financial planning process, the five disciplines of financial planning and general financial planning concepts, terminology and product categories. Individuals also complete a three-month long internship. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. Once the designation is earned, the RP® must complete 16 hours of continuing education every 2 years.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Catherine Norris is not involved in any other business activities.

Item 5- Additional Compensation

Catherine Norris does not receive any economic benefit from any non-client for providing advisory services.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Eugenia Lathan-Churchill

Capital Advantage, Inc.
3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Eugenia Lathan-Churchill that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Eugenia Lathan-Churchill is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Eugenia Lathan-Churchill, born 1961, has no formal education after high school.

Business Background

| | |
|---------------|--|
| 09/11-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Senior Service Advisor |
| 02/11-09/11 | Eugenia Lathan-Churchill, Martinez, CA Self Employed, Notary Agent |
| 04/11-07/11 | Progress Investment Management, San Francisco, CA Investment Advisor, Fund Administrator |
| 12/98-02/11 | Litman/Gregory Asset Management, Orinda, CA Investment Advisor, Manager of Partnership Services |

Professional Designations

Registered Paraplanner (RP®) – 2016

The Registered Paraplanner designation is issued by the College for Financial Planning. In order to receive a RP® designation, the candidate must complete a course of study encompassing the financial planning process, the five disciplines of financial planning and general financial planning concepts, terminology and product categories. Individuals also complete a three-month long internship. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. Once the designation is earned, the RP® must complete 16 hours of continuing education every 2 years.

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Eugenia Lathan-Churchill is a Notary Public in the state of California.

Item 5- Additional Compensation

Eugenia Lathan-Churchill does not receive any economic benefit from any non-client for providing advisory services.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Casie Stanley

Capital Advantage, Inc.
3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Casie Stanley that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Casie Stanley is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Casie Stanley, born 1984, received a B.S. in Nutritional Sciences from the University of Missouri (Columbia, MO) in 2006.

Business Background

| | |
|---------------|--|
| 08/15-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Senior Client Service Representative |
| 08/13-09/15 | Constellation Wealth Advisors, LLC, Menlo Park, CA Investment Advisor, Associate |
| 01/13-08/13 | Morgan Stanley, Menlo Park, CA Broker/Dealer, Client Service Associate |
| 05/07-11/12 | Edward Jones, Saint Louis, MO Broker/Dealer, Senior Service Specialist |

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Casie Stanley is not involved in any other business activities.

Item 5- Additional Compensation

Casie Stanley does not receive any economic benefit from any non-client for providing advisory services.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.

Jeff Giguere

Capital Advantage, Inc.

3470 Mount Diablo Boulevard, Suite A215
Lafayette, California 94549

March 28, 2018

This Brochure Supplement provides information about Jeff Giguere that supplements the Capital Advantage, Inc. Brochure. You should have received a copy of that Brochure. Please contact Dawnalizabeth Henke, Chief Compliance Officer, at 925.299.1500 if you did not receive Capital Advantage, Inc.'s Brochure or if you have any questions about the contents of this supplement.

Additional information about Jeff Giguere is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2- Educational Background and Business Experience

Jeff Giguere, born 1992, received a B.S. in Business Finance from California State University, Chico (Chico, CA) in 2014.

Business Background

| | |
|---------------|---|
| 01/18-Present | Capital Advantage, Inc., Lafayette, CA Investment Advisor, Client Service Representative |
| 11/16-01/18 | Wells Fargo Clearing Services, LLC Registered Client Associate |
| 12/14-11/16 | Wells Fargo Advisors, LLC Operations Clerk |
| 06/13-08/13 | Qualcomm Atheros Assistant Financial Analyst |
| 06/08-06/11 | Togo's Eatery Associate |

Item 3- Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

No Capital Advantage, Inc. supervised employee has ever, nor is currently, involved in any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Therefore, no information is applicable to this Item.

Item 4- Other Business Activities

Jeff Giguere is not involved in any other business activities.

Item 5- Additional Compensation

Jeff Giguere does not receive any economic benefit from any non-client for providing advisory services.

Item 6 - Supervision

Dawnalizabeth Henke, Chief Compliance Officer, supervises the activities of the supervised persons.