

Client Disclosure Brochure for CapAcuity Form ADV, Part 2A

September 23, 2019

This brochure provides information about the qualifications and business practices of CapAcuity, LLC (“the Advisor” or “CapAcuity”). If you have any questions about the contents of this brochure, please contact us at 407-949-6889 or by email info@capacuity.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

The Advisor is registered with the SEC as an investment advisor. Registration with the SEC or any state securities authority does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate CapAcuity and should be considered in your decision whether to hire the Advisor or to continue to maintain a relationship.

Additional information about us is available on the SEC’s website at www.adviserinfo.sec.gov.

CapAcuity, LLC
300 International Pkwy, #350
Lake Mary, FL 32746
407-949-6889
info@capacuity.com

Item 2 Material Changes

CapAcuity's last update was filed on March 31, 2019. We are now updating Item 10 of the Part 2A to reflect a change in affiliation.

You may request the most recent version of our Part 2B brochure by contacting us at 407-949-6889 or by emailing info@capacuity.com.

Table of Contents

Page

Item 1 Cover Page	1
Item 2 Material Changes	2
Item 3 Table of Contents	3
Item 4 Advisory Business	4
Item 5 Fees and Compensation	4
Item 6 Performance-Based Fees and Side-By-Side Management	5
Item 7 Types of Clients	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 Disciplinary Information	8
Item 10 Other Financial Industry Activities and Affiliations	8
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Item 12 Brokerage Practices	9
Item 13 Review of Accounts	9
Item 14 Client Referrals and Other Compensation	9
Item 15 Custody	9
Item 16 Investment Discretion	10
Item 17 Voting Client Securities	10
Item 18 Financial Information	10

Item 4 Advisory Business

CapAcuity, a limited liability company organized in the state of Florida, was formed in December 2017 and became registered with the SEC in 2018. Peter S. Cahall is the sole owner of CapAcuity.

Investment Advisory and Consulting

Pursuant to the terms of the respective investment advisory agreements, CapAcuity provides institutional only non-discretionary investment advisory and consulting services to non-qualified executive retirement plans, defined benefit plans and defined contribution plans (collectively, Plan Sponsor or Client). Each agreement is customized for the specific Plan Sponsor need.

Generally, investment advisory activities provided to Clients include:

- Menu construction
- Asset allocation
- Risk tolerance
- Regular portfolio monitoring, including investment manager selection and ongoing evaluation
- Analysis of fund performance relative to defined benchmarks
- Fund/product (corporate-owned life insurance/COLI) expense analytics
- Tax efficiency analysis (whether funded with COLI, mutual funds, or ETFs)

CapAcuity provides advice that considers the Plan Sponsor's overall objectives, and CapAcuity will consider:

- benefit plan liabilities
- funding adequacy
- asset/liability correlation
- fund expenses
- balance sheet and P&L volatility and impact

CapAcuity limits its investment advice to the following securities:

- Mutual funds
- Exchange-traded funds (ETFs)
- Fixed-income securities
- Treasury inflation-protected/inflation-linked bonds
- Real estate funds (including REITs)
- Insurance products including:
 - registered variable life insurance
 - private placement variable life insurance
 - general account life insurance

Wrap Fee Programs

We do not participate in wrap fee programs.

Assets Managed

We manage approximately \$445 million on a non-discretionary basis as of August 31, 2019.

Item 5 Fees and Compensation

Based on the specific project, fees may be fixed, or asset based. Fees and compensation and the payment terms thereof are negotiable and are documented in each respective investment advisory agreement prior to the beginning of the engagement. Fixed project fees are paid in part at the beginning of a project, with the balance paid at project completion. Asset based fees are calculated as a percentage of total assets under

management (or plan liabilities) which are generally paid quarterly, in advance. The Advisor does not deduct fees from Client or plan accounts. When calculating total assets under management (or plan liabilities, if applicable) and determining the market value of the assets, the Advisor considers the balance as of the last business day of the month end prior to the billing period, after taking into account deposits and withdrawals.

Generally, Clients may terminate the advisory agreement in accordance with the termination provision in the agreement, as negotiated on a Client-by-Client basis. Upon termination of any account, any prepaid, unearned fees will be promptly refunded to the Client, and any earned, unpaid fees will become due and payable. Such fees are prorated based on the number of days left in the billing or project period.

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by CapAcuity. Please see Item 12 of this brochure regarding brokerage practices.

Certain CapAcuity associates are also affiliated with CapAcuity Securities, Inc (the Broker-Dealer) and in their affiliation with the Broker-Dealer, associates accept compensation for the sale of investment products, including commissions, asset-based fees, service fees, marketing fees and the reimbursement of expenses incurred in evaluating an investment. This practice may create a conflict of interest providing an incentive to recommend investment products based on the compensation received. CapAcuity mitigates this conflict by directly offsetting advisory fees equal to the amount of commission and asset-based fee received on an investment product recommended to a Client in an individual's registered representative capacity with the broker-dealer.

Note, there are circumstances where CapAcuity Clients may have multiple engagements with its affiliates and the affiliates may receive compensation for services provided that are unrelated to the investment advice provided by CapAcuity; in those instances, advisory fees are not offset. For example, Plan Sponsors may engage Advisor affiliates for non-advisory services such as supply chain management reviews, vendor benchmarking, funding optimization and risk management.

Clients always have the option to purchase CapAcuity recommended products through other brokers or agents that are not affiliated with CapAcuity.

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

CapAcuity does not currently charge performance-based fees or fees based on a share of capital gains or capital appreciation of Client assets.

Item 7 Types of Clients

CapAcuity provides institutional only non-discretionary investment advisory and consulting services to sponsors of non-qualified executive retirement plans, defined benefit plans and defined contribution plans. There is no minimum account size or other predetermined account requirement.

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

Methods of Analysis and Investment Strategies

CapAcuity's methods of analysis include Modern Portfolio Theory and Quantitative analysis:

- **Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.
- **Quantitative analysis** deals with measurable factors such as the value of assets, the cost of capital, historical projections of sales, and so on. Qualitative analysis considers qualitative considerations such as the quality and performance of management or the state of employee morale, employee turnover, competitive and market conditions etc.

CapAcuity's strategies are focused on long-term funding/hedging of non-qualified executive benefit plan liabilities and take into account: correlation to benefit liabilities, portfolio returns and fund expenses to optimize financial results for corporate Clients across all these criteria.

Risk of Loss

All investing involves a risk of loss that Clients should be prepared to bear. Securities investments can be affected by liquidity and volatility in the securities markets, often driven by adverse changes in the national and international economies, as well as by non-economic events. CapAcuity cannot give any guarantee that it, or any investment advice or strategy, will achieve a Client's investment objectives.

The following is a summary description of the principal risks of investing. Any decisions to invest should take into account that CapAcuity may recommend a wide range of investments, that may be subject to a wide variety of related risks, which can be substantial. Please refer to the offering memorandum, prospectus and other supplement documents of the securities recommended by CapAcuity for a list of specific risk factors.

General Economic and Market Conditions: The success of CapAcuity's investment advisory strategies will be affected by general economic and market conditions, such as: 1) Availability of credit 2) Credit defaults 3) Inflation rates 4) Economic uncertainty 5) Changes in laws 6) Trade barriers 7) Currency exchange controls 8) National and international political circumstances.

Equity: Investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income: Investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities. The fixed income market can be volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa). Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (which is unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Real Estate Funds (including REITs): Several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in

zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Mutual Funds and Exchange Traded Funds (ETFs): Investing in mutual funds carries the risk of capital loss and thus Clients may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. Mutual funds are available in a wide array of asset classes.

An ETF is an investment fund similar to a mutual fund but traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss.

Private placements: Substantial risk as they are subject to less regulation than are publicly offered securities. The market to resell these assets under applicable securities laws may be limited, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Long term trading: Designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose Clients to various types of risk that will typically surface at various intervals during the time the Client owns the investments. These risks include, but are not limited to, inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Quantitative analysis: Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

Cybersecurity Risks: As the use of technology has become more prevalent in the course of business, investment accounts have become more susceptible to operational and information security risks resulting from breaches in cyber security. A breach in cyber security refers to both intentional and unintentional cyber events that may, among other things, cause an investment account to lose proprietary information, suffer data corruption and/or destruction or lose operational capacity, result in the unauthorized release or other misuse of confidential information, or otherwise disrupt normal business operations. Cyber security breaches may involve unauthorized access to an investment account's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users).

In addition, cyber security breaches involving an investment account's third-party service providers (including but not limited to advisors, sub-advisors, administrators, transfer agents, custodians, distributors and other third parties), trading counterparties or issuers in which an investment account invests in can also subject to many of the same risks associated with direct cyber security breaches. Moreover, cyber security breaches involving trading counterparties or issuers in which an investment account invests could adversely impact such counterparties or issuers and cause an investment account's investment to lose value. Cyber security failures or breaches may result in financial losses to an investment account. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses; impediments to trading; violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage; reimbursement or other compensation costs; additional compliance and cyber security risk management costs and other adverse consequences.

CapAcuity has an established business continuity plan and risk management system designed to reduce the risks associated with cyber security breaches. However, there are inherent limitations to the plan and system, including that certain risks may not have been identified, in large part because different or unknown threats may emerge in the future. As such, there is no guarantee that such efforts will succeed, especially because CapAcuity does not directly control the cyber security systems of issuers, trading

counterparties, or third-party service providers. There is also a risk that cyber security breaches may not be detected.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to a current or a prospective Client's evaluation of CapAcuity's investment advisory business or the integrity of its management.

Item 10 Other Financial Industry Activities and Affiliations

The Advisor is affiliated with CapAcuity Securities, Inc. (formerly known as Johnson Securities Inc.) , broker-dealer registered with the SEC and FINRA. Under its FINRA Membership Agreement, CapAcuity Securities Inc., is authorized to provide various broker-dealer services, including, variable life insurance sales and service. Certain officers, other employees or investment advisor representatives of the Advisor are registered with CapAcuity Securities, Inc. as registered representatives and as insurance agents or brokers.

On August 30, 2019, the assets of Westport Strategies Advisors, LLC ("Westport"), an investment advisory firm in Boston, Massachusetts were acquired by CapAcuity Consulting, LLC. Clients of Westport were notified of the transaction and acknowledged the ownership change of Westport in a letter dated July 1, 2019. CapAcuity Consulting, LLC and CapAcuity, LLC share common ownership.

It is expected that certain investment advisory representatives will be dually registered with Westport, CapAcuity and CapAcuity Securities, Inc. It is also expected that CapAcuity and CapAcuity Securities, Inc will provide services to certain of Westport's existing clients.

As noted in Item 5, Clients should be aware that certain broker-dealer and insurance activities pay commissions or other compensation. This practice may create a conflict of interest providing an incentive to recommend investment products based on the compensation received. CapAcuity mitigates any conflicts by directly offsetting advisory fees equal to the amount of commission and asset-based fees received based on an investment product recommended to a Client in an individual's registered representative (or insurance agent) capacity with the Broker-Dealer. See Item 5 for more information.

Clients may engage Advisor affiliates for non-advisory services such as supply chain management reviews, vendor benchmarking, funding optimization and risk management. Advisor may have a conflict of interest to the extent that one or more of its affiliates has an opportunity to earn a fee from non-advisory services provided to a Client.

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

As required by the Advisers Act, CapAcuity has a written Code of Ethics that governs a number of potential conflicts of interest that exist when providing advisory services, which include: the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions.

The Code of Ethics is designed to enable CapAcuity to meet its fiduciary obligations to Clients, instill a culture of compliance within CapAcuity and prevent violations of securities laws. CapAcuity's Code of Ethics is available free upon request to any Client or prospective Client. The Code of Ethics is provided to employees at the time of hiring and annually thereafter upon material changes being made to the Code of Ethics. Employee activity is monitored on an ongoing basis, and employees are required to certify their compliance with the Code on an annual basis.

CapAcuity does not recommend that Clients buy or sell any security in which a related person to CapAcuity or CapAcuity itself has a material financial interest.

Item 12 Brokerage Practices

As a result of our business model, we do not receive soft dollars, we do not refer broker-dealers for a fee, and we do not require Clients to execute trades through CapAcuity or its affiliates.

Item 13 Review of Accounts

For our investment advisory Clients, we will determine the nature and frequency of Client reporting and account reviews with each Client. Generally, accounts where advice is provided on an ongoing basis are reviewed at least quarterly by CapAcuity's Investment Committee, with attention to the Client's investment policy and overall objectives. The Committee provides a written report of the previous quarter's performance. Additional reviews may be triggered by material market, economic or political events, or by changes in Client's financial situation—primarily changes to the participant liabilities that the account is attempting to hedge. The Committee consists of Mendel Melzer (Chief Investment Officer), Robert Little (Director of Investment Research) and Peter Cahall (CEO).

Item 14 Client Referrals and Other Compensation

CapAcuity does not receive any economic benefit, directly or indirectly from any third party for advice rendered to CapAcuity's Clients.

CapAcuity may enter into written arrangements with third parties to act as solicitors for CapAcuity's investment advisory and consulting services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. CapAcuity will ensure each solicitor is exempt, notice filed, or properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

Item 15 Custody

CapAcuity does not have physical custody of Client assets; all assets are held by third-party qualified custodians. Clients will receive periodic asset statements from the qualified custodian. CapAcuity urges Clients to carefully review custodial statements and to compare the performance reports that CapAcuity provides to Clients to the official custodial records, noting some variations may be due to asset reporting dates, accounting procedures or valuation methodologies.

Item 16 Investment Discretion

Currently, CapAcuity provides non- discretionary investment advisory services to Clients. In instances where CapAcuity may have discretion in the future, that discretion is limited to the guidelines established by the Client pursuant to the advisory agreement.

Item 17 Voting Client Securities

CapAcuity does not have the authority to vote Client proxies for and therefore it does not currently vote Client proxies.

Item 18 Financial Information

CapAcuity neither requires nor solicits prepayment of more than \$1,200 in fees per Client, six months or more in advance. Neither CapAcuity nor its management has any financial condition that is likely to reasonably impair CapAcuity's ability to meet contractual commitments to Clients. CapAcuity has not been the subject of a bankruptcy petition in the past ten years.

CapAcuity, LLC
300 International Pkwy, #350
Lake Mary, FL 32746
407-949-6889