

## Item 1 - Cover Page

New Albany Capital Partners, LLC, (referred to as either “NACP” or the “Registrant”) operates as an independent Registered Investment Adviser (“RIA”). Organizationally, Gummer & Lewis Investment Counsel, LLC, (“GALIC”) is a single member limited liability company created to serve public sector portfolios. GALIC is a wholly-owned subsidiary of NACP. Hereinafter, both entities are described as NACP. NACP maintains its RIA registration with the U.S. Securities and Exchange Commission (the “SEC”). Additionally, NACP maintains a registration as an Independent Registered Municipal Adviser (“IRMA”) with the SEC as well as the Municipal Securities Rulemaking Board (“MSRB”). During February, 2019, NACP initiated a withdrawal of its IRMA registration, subject to a 60 day review period. NACP has no intention to solicit engagements requiring IRMA registration. It should be noted that these registrations are for compliance purposes. Accordingly, NACP’s registration with the SEC and the MSRB does not imply any level of professional skill or competence conveyed by the SEC, the MSRB, or any similar U.S. Government entity. With this brochure, the SEC requires the following specific disclosure within this Cover Page:

**This brochure provides information about the qualifications and business practices of New Albany Capital Partners, LLC. If you have any questions about the contents of this brochure please contact us at (614)-944-5011. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about New Albany Capital Partners, LLC, is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

This disclosure represents the conversion of what was formerly known as SEC Form ADV Part II (and SEC Form ADV Part 2, Schedule F) into a “plain language” format. This document is now known as SEC Form ADV Part 2A, also referred to as a “brochure.” The SEC has published a general outline of disclosure items, and the order in which these items are to be disclosed. Where applicable, we have attempted to tailor our filings to the SEC’s organizational sequence.

This form will be electronically filed with the SEC’s office of Investment Adviser Public Disclosure on or before March 31, 2019, as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank”) and the Investment Advisers Act of 1940 as amended (the “40 Act”).

The effective date of this Form ADV Part 1 and ADV Part 2A update is March 26, 2019. NACP’s SEC file number is 801-68296 and its CRD number is 144982

Correspondence with regard to NACP may be directed as follows:

John N Lewis, CFA  
Chief Compliance Officer  
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## Item 2 – Summary of Material Changes

On February 19, 2019, NACP submitted a request to withdraw its registration as an Independent Registered Municipal Adviser (“IRMA”) by filing form MA-W. NACP believes this request could be approved during April, 2019. NACP has no current engagements and is not soliciting any engagements requiring IRMA registration.

During March, 2019, NACP applied to register an office location (as a “notice filing”) in South Carolina. Additionally, John N. Lewis, Jr, NACP’s founder, Managing Member and Chief Compliance Officer, applied to operate as a Investment Advisory Representative of NACP in South Carolina. As of this writing, those requests are being reviewed by South Carolina regulatory officials.

During March, 2019, John N. Lewis, Jr., NACP’s founder, Managing Member, and Chief Compliance Officer, entered into an agreement with RedTree Investment Management (“RT”) for the purpose of transitioning the management of public sector portfolios from NACP’s oversight to RT. John entered into a consulting agreement with RT, expiring in 2022, for this purpose. John completed registration as an Investment Advisory Representative (“IAR”) with RT. John now serves as a “dual registrant” IAR for both NACP and RT.

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## Item 4 - Advisory Business Description

Ownership of all membership units of GALIC is held by NACP. All of NACP's ownership units are held by John N. Lewis, CFA, presently serving as NACP's Managing Director and Chief Compliance Officer as noted in SEC Form ADV Part 1A. NACP was founded in 2007.

NACP may offer to serve several core types of advisory clients. Services to these clients are summarized as follows and may involve the following services:

A. Municipal Government Entities

1. NACP may offer to provide investment management services for municipal government entities, primarily city governments. For these clients, the following, general services may be offered:
  - a. NACP may offer to prepare and deliver periodic interest rate and economic reports to governmental entity clients in an effort to align economic expectations with client specific liquidity and portfolio needs.
  - b. NACP may offer to assist in the modification or development of a client's investment policy statement.
    - i. These portfolios are generally limited to high-quality, short to medium duration fixed-income securities, as may be more specifically identified by statutes specific to each client and each client's investment policy statement

B. NACP may offer to serve non-profit organizations and may offer to provide full discretionary management of investments. Fixed income holdings for these portfolios and the general services that may be provided may be similar to what is offered to municipal government entities. Non-profit organizations may be permitted to hold varying levels of equity securities. These securities may range from mutual funds, individual equity securities, preferred equity securities, exchange traded funds, options, and other securities also summarized within responses to Item 8.

C. NACP may offer to provide defined contribution plan advisory and consulting services on a non-discretionary basis only.

D. NACP may offer to manage portfolios for individual investors. Portfolio management services provided for these clients may be similar to those that may be offered to non-profit organizations. However, these clients may have a larger exposure to more volatile asset classes. Additionally, these portfolios may utilize option strategies, as either a risk management or speculation tool, and leverage.

E. NACP does not participate in wrap fee programs at this time and has no items related to wrap fees to disclose.

- F. As of our most recent ADV update, NACP managed the following number of assets and accounts as of December 31, 2018:

	<u>Number of Accounts*</u>	<u>Account Values (\$)</u>
<b>Discretionary</b>	32	341,449,817
<b>Non-Discretionary</b>	1	5,474,257
<b>Total</b>	33	346,924,074

\*Accounts, for purposes of this filing, are grouped together based upon affiliations (i.e. husband and wife, while having separate account numbers may be considered one “account” if the styles and strategies are generally similar).

- G. With regard to portfolio management services, generally, NACP endeavors to customize portfolios to the needs of each individual client. However, it is important to note that some of our clients (particularly municipal entities) share materially similar portfolio constraints relating to risk of loss, liquidity, and similar variables.

## Item 5 – Fees and Compensation

NACP does not accept any form of commission related to the purchase and sale of any security held in a client account subject to management, supervision, or oversight by NACP.

NACP is compensated, generally, as a function of the client’s portfolio size and complexity. **All fees may be negotiated based upon the size and complexity of client accounts.** Customarily, new individual clients may be invoiced at an annual rate of 1% per annum. High Net Worth clients may receive fee invoices that are generally below this level. Institutional clients generally receive invoice rates that are below those charged to High Net Worth Investors. Municipal entities generally receive invoices for annual fees that are below 0.2% per annum with a maximum annual advisory fee of 0.5%. NACP is no longer accepting new municipal entity clients.

As of this ADV update, maximum annual fee schedules are in effect for individual, High Net Worth Individual, and non-municipal institutional clients is as follows:

Fee Rate (%)		Portfolio Size	
<u>Quarterly</u>	<u>Annual</u>	<u>From</u>	<u>To</u>
0.4375	1.75 \$	- \$	250,000
0.375	1.5 \$	250,000 \$	500,000
0.3125	1.25 \$	500,000 \$	1,000,000
0.1875	0.75 \$	1,000,000	unlimited

Clients are billed according to the fee schedule outlined in their specific engagement documents. Fees for some accounts may be rounded to the nearest whole Dollar in our billing software. Generally, fees are invoiced on a calendar quarter cycle, four times per year. Fees are considered due and payable when invoiced. Fees will be adjusted to reflect pro rata billings in the event of a new or closed account under a “billing in advance” or a “billing in arrears” format. Thus, clients choosing to terminate an engagement with a “billing in advance” format will be due a refund for the number of days remaining in a given billing cycle upon request. Also, clients choosing to terminate an engagement with a “billing in arrears” format will be invoiced for services provided to and including the date of termination.

Clients may be invoiced directly or have NACP’s advisory fees automatically deducted from client accounts with a Qualified Custodian; advisory fees in these cases are noted quarterly on official records provided directly to clients by their Qualified Custodian.

Client accounts are charged directly for all brokerage commissions, custody fees, mutual fund management fees, administrative charges, and similar services.

The deduction of advisory fees, custodial fees, brokerage fees, mutual fund management fees, administrative charges, and other charges deducted from a client’s account negatively affect performance versus accounts that are not charged brokerage fees, custodial fees, advisory fees, mutual fund management fees, administrative charges, or a combination of any of these expenses.

As to trade errors, NACP shall reimburse client accounts for losses resulting from its trade errors but is not required to credit accounts in cases for which errors result in a market gain to the affected client(s). Small gains may be donated to a charity chosen by either the Registrant or the client’s custodian.

## Item 6- Performance Fees and Side-by-Side Management

At this time, NACP charges no performance based fees for any clients.

## Item 7 - Types of Clients

As also described in Item 4 – Advisory Business Description, NACP may offer to provide management and supervisory services for the following, general types of accounts:

1. Municipal Government Entities
2. Not-for-Profit Organizations
3. Individual Investors, related partnerships, and similar entities
4. Defined contribution retirement plans on a non-discretionary basis only

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

### Methods of Analysis

NACP would describe its investment style as value-oriented in nature as described below in the “Investment Strategies” section. NACP may use certain technical indicators in its purchase and sale decisions. However, such inputs are generally subordinate to fundamental analysis of a particular holding.

### Investment Strategies

As to equity asset classes:

For non-municipal entity clients, NACP generally manages equity allocations using a combination of Exchange Traded Funds (“ETFs”) and similar vehicles, including, from time to time, exchange traded notes and mutual funds (both closed and open end). For non-municipal entity clients, NACP generally invests in ETFs, mutual funds, and similar securities in an effort to passively track a number of widely followed indices, including their growth, value, and other sub-indices. Additionally, NACP frequently utilizes sector specific ETFs in its operations. These positions are generally selected as a function of the client’s communicated risk tolerance as well as client specific securities that may be held in a given account or group of related accounts. Other factors NACP may utilize in selecting ETFs, mutual funds, and similar securities may include:

- Annual operating costs
- Tax efficiency
- Trading liquidity (the size and volume of reported transactions)

While ETFs generally form the core of most client equity allocations, NACP may also research and manage individual equities. These securities are selected from both national and regional (Ohio and contiguous states) benchmarks. Among other variables considered, NACP may use any combination of the following:

- A. Analysis of historical financial statements (both annually and quarterly)



- B. Expectations related to future financial performance (using both internally prepared models and certain research services made available to us by others)
- C. Company specific guidance
- D. Company specific press and financial press releases
- E. An issuer's SEC filings (primarily 10-K, 10-Q, and 8-K)
- F. Insider ownership trends and histories
- G. Institutional ownership trends and histories
- H. Peer group relative valuation
- I. Other public information such as news articles and general "on-line" data

It is important to note that these measures are general guidelines. NACP reserves the right to change the ranking statistics, model weights, level of regional exposure, and other variables without notice.

NACP may prepare security screening models but retains no set time by which these screening models are re-run. Operationally, screening models utilize constantly changing price and valuation inputs. Thus, NACP does not retain, nor does it expect to retain, historical screening records. When screening and organizing potential investments from a pool of market benchmarks, NACP may consider the following quantitative measures:

- A. Price to Earnings Ratio
- B. Price to Sales Ratio
- C. Price to Earnings Before Interest Taxes Depreciation and Amortization (EBITDA)
- D. Price to Free Cash Flow
- E. Price to Dividend Discount Valuation

It is important to stress that the above list is also a "guide." **NO SPECIFIC** model, tool, or other input can reasonably be expected to singularly direct our purchase or sale decisions. Furthermore, at our sole discretion, we may eliminate certain of the above referenced valuation exercises and add additional steps as we deem appropriate on a case-by-case basis. Changes to these activities are considered ordinary and necessary in the execution of our responsibilities.

NACP may offer to hedge positions in certain client portfolios. These portfolios will be required to carry margin capabilities, option transaction capabilities, and other advanced account structures. There can be no assurance that any hedging strategy (including "inverse" ETFs, volatility ETNs and similar securities if included in client portfolios) will be profitable or successful.

As to Mutual Fund (open and closed end funds):

Unlike ETFs, mutual funds are not widely utilized within our portfolios, other than for non-discretionary defined contribution plans. However, we do, from time to time, have varying degrees of exposure to certain funds and fund families. Mutual funds seek to provide a similar portfolio planning purpose as the ETFs, ETNs, and similar core positions described earlier in this section. Specific to mutual fund selection, NACP may consider the following, additional variables for actively managed funds:

- Trailing 1,3, and 5 year returns (Noting that past performance does not guarantee future results)
- Fund operating costs
- Beta versus a fund's published (or NACP's selected) benchmark
- Alpha versus a fund's published (or NACP's selected) benchmark
- Manager tenure (turnover history)

As to fixed income security selection:

NACP relies primarily on a relative valuation tools and public rating reports for identifying specific fixed income securities for inclusion in our portfolios. Among other inputs, NACP reviews published ratings, spreads relative to benchmark issues (i.e. Treasuries), spreads relative to recently issued securities, option adjusted spreads for structured notes, callable note structures, market liquidity, and other inputs. As may be required by a client specific investment policy statement varying degrees of secondary market liquidity, existing portfolio duration and convexity characteristics, and issuer restrictions are also incorporated into our selection equation. Similar to our equity security selection process, **NO SPECIFIC** model, tool, or other input can reasonably be expected to singularly direct our purchase or sale decisions.

With respect to all securities held in client accounts under the management of NACP, all transaction records, prospectus data, and related materials are either stored in an electronic format or these materials are readily available "on-line" through subscribed systems such as Bloomberg LP, EDGAR, or resources provided by the account's Qualified Custodian.

## Risk of Loss

Clients must be aware that ***all*** investments (including U.S. Government obligations) may contain some form of price risks during an investor's holding period. A decline in price may be experienced within any asset class at a given moment in time.

In an effort to comply with the plain language requirement of this brochure format, we state that it is **impossible** to quantify all known and unknown investment risks.

For certain, primarily individual, clients NACP may invest the majority of a given portfolio in common equities. Over time, common equities may have shown greater historical total returns than some other types of securities. In the short-term, however, stock prices may fluctuate widely in response to company, market, economic or other news.

NACP may invest client assets in securities (generally, common equity, preferred equity, and debt instruments) issued by companies with a material presence or operating domicile in Ohio and its contiguous States. These are not expected to constitute the entirety of our portfolio holdings. However, a material overweight to this region may be present from time to time as compared to many standard benchmarks. If NACP has invested a higher percentage of its total assets in a particular region, sector or industry, changes affecting that region, sector or industry may have a significant impact on the performance (and potential risk of loss) of a client's overall portfolio.

NACP is not restricted, other than by client investment policy specific to allocation targets, from investing in securities of all market capitalizations. Generally, the securities of larger capitalization companies (represented by benchmarks such as the S&P 500 Index) are widely followed by professional analysts, are considered liquid securities, may have higher dividend yields, and similar traits as compared to small and mid-cap companies. During certain periods, small cap companies have outperformed large cap companies, and visa-versa. We maintain no internal policy designed to estimate or time when we may move allocations among capitalization classifications.

With regard to debt securities, unless otherwise prohibited by a client's investment policy, NACP may invest in unrated or lower-rated fixed income securities. Compared to other debt securities, debt securities holding below investment grade ratings, BB+ and below per Standard and Poor's (often called "junk bonds"), are considered to have speculative characteristics with respect to the issuer's capacity to pay interest and repay principal according to the terms of the obligation and, therefore, carry greater investment risk, including the possibility of default and bankruptcy. Clients should be aware that these types of securities may be less marketable and more adversely affected by economic downturns than high-quality, investment-grade debt securities. Allocations to junk bonds within our portfolios are generally small in comparison to our allocations to investment grade debt instruments. Additionally, some securities in our portfolios that do not carry a rating of any kind may be credit enhanced by an irrevocable direct-pay letter of credit issued by an investment grade, U.S. financial institution (usually a bank).

All debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of an option-free debt security can fall when interest rates rise and can rise when interest rates fall. The term most frequently used to quantify this degree of change in price for a given change in yield is duration. Option-free fixed income securities with longer duration should be expected to be more sensitive to interest rate changes than similar structures with lower duration. As a result, changes in interest rates in the U.S. and outside the U.S. may affect a client's portfolio in an unfavorable manner.

Many debt securities held by NACP contain call provisions of varying complexity. Similar to convertible securities, discussed below, certain events could motivate an issuer to elect an early redemption (or call) option. In such a circumstance, portfolios would be forced to accept a maturity in advance of a stated maturity (the call date) resulting in the loss of future interest income after the security in question will have been called.

NACP may invest in certain convertible securities. The value of convertible securities will vary based on the perceived value of the security underlying the convertible security. Convertible securities are frequently issued with a call feature that allows the issuer to choose when to redeem the security, which could result in an account being forced to redeem, convert, or sell the convertible security under circumstances unfavorable to the client.

## Item 9 – Disciplinary Information

NACP has no disciplinary information to report.

## Item 10 – Other Financial Industry Activities and Affiliations

1. NACP has registered with the SEC and MSRB as a Municipal Adviser. As noted above, NACP is in the process of removing its Municipal Advisory registration.
2. NACP is not registered, nor has a registration pending, as a broker-dealer.
3. None of NACP's investment advisory representatives are registered representatives of a broker-dealer, futures commission merchant, commodity pool operation, a commodity trading adviser, or an associated entity.
4. NACP receives no compensation related to the recommendation of other investment advisers associated with any client accounts.
5. On March 1, 2019, John Lewis, with and on behalf of NACP, entered into a consulting agreement with RedTree Investment Group ("RT") of Cincinnati for the purpose of transferring portfolio management responsibilities for public sector clients from New Albany Capital Partners, LLC, to RT. RT operates an independent RIA with a focus on public sector portfolio management. John is a "Dual Registrant" with both New Albany Capital Partners, LLC, and RT.

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

Pursuant to SEC Rule 204A-1, NACP has adopted a formal code of ethics designed to protect our clients' interests relating to our portfolio management activities. A copy of this code of ethics is available to each client upon written request.

Neither NACP nor its related persons recommend to clients or buy or sell for client accounts any securities in which NACP or its related persons have a material financial interest.

**Conflict of interest disclosure related to potential future Department of Labor Fiduciary guidelines:** Unless otherwise modified by court decision, regulatory rulemaking, or other regulatory action, a client or prospective client leaving an employer typically has four options regarding an existing retirement plan (or a combination of): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If the Registrant recommends that a client roll over their retirement plan assets into an account to be managed by the Registrant, such a recommendation creates a conflict of interest if the Registrant will earn an advisory fee on the rolled over assets. No client is under any obligation to rollover retirement plan assets to an account managed by Registrant. Registrant

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remains available to address any questions that a client or prospective client may have regarding the potential for conflict of interest presented by such rollover recommendation.

NACP's equity owner(s) (and its representatives) may, from time to time, invest in the same securities as are held in client accounts. ***We firmly believe that it is important for us to invest in the same securities held in client accounts.*** However, this practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. In accordance with our code of ethics and a number of other best practices, we implement the following procedures related to those securities held for our benefit as well as for the benefit of our clients:

1. Block trading of individual securities
  - a. Orders to buy or sell individual securities may be filled on a "block" basis with all clients, including NACP and its related parties, where all parties receive the exact same execution price, trade date, and settlement date.
  - b. Failure to execute trades on a block basis requires NACP and its related parties to execute trades for its accounts and the accounts of its related parties on a subordinate priority as compared to client accounts.
2. Restricted Entities
  - a. From time to time, NACP may consider certain entities to be "restricted" such that client and NACP personnel may be either prohibited from holding long or short positions in a given entity, and/or subject to additional monitoring and restrictions related to any pending transaction activities.
3. Covered Persons
  - a. The only person within NACP with individual access to both client positions, and pending trades is John N. Lewis, NACP's Chief Investment Officer. Item 12 – Brokerage Practices

As to municipal entity clients, brokerage selection for fixed income transactions may be a function of competitively solicited bids and offers for certain transactions. Additionally, NACP may use Bloomberg, TRACE, and other reporting systems to independently evaluate the purchase and sale execution levels of certain securities without a formal competitive solicitation.

NACP does not maintain custody of your assets that we manage, although we may be deemed to have 'regulatory custody' of your assets if you give us authority to withdraw assets from your account (See Item 15—Custody, below) for payment of our advisory fees. Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We require that our non-municipal clients use either Charles Schwab & Co., Inc. ("Schwab") or TD Ameritrade ("TDA"), both registered broker-dealers, and members of SIPC, as a qualified custodian for non-municipal government entities. Municipal government entities are required to use either US Bank ("USB")

or Fifth Third Bank ("5/3"). Defined benefit plans, advised on a non-discretionary basis, are required to use Nationwide Financial Services, Inc., ("NFS").

We are independently owned and operated and are not affiliated with either Schwab, TDA, NFS, USB or 5/3. Schwab and TDA will hold your assets in a brokerage account and buy and sell securities when we instruct them to. USB and 5/3 will hold your assets in a trust capacity and will receive and deliver securities within your portfolio. NFS will retain custody of qualified plan assets and will respond to core fund changes as directed by a defined contribution plan fiduciary. USB and 5/3 do not function in a brokerage capacity. They will charge you a specific fee for custody services, and they do not generally offer the benefits provided by Schwab, TDA, and NFS as described in this section.

While we require that you use either Schwab, TDA, NFS, USB or 5/3 as custodian/broker, you will decide whether to do so and will open your account with them by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

We seek to use a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody), excluding NFS qualified plans
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions (or recommendations in the case of NFS)
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.)
- Reputation, financial strength, security and stability
- Prior service to us and our clients
- Availability of other products and services that benefit us, as discussed below (see "Products and services available to us from Schwab NFS and TDA")

#### **Products and services available to us from Schwab NFS and TDA**

Schwab, NFS, and TDA have businesses serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. They

also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. These support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of these support services:

**Services that benefit you:** Institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

**Services that may not directly benefit you.** Schwab, NFS, and TDA also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They, together with outside brokers we may use to fill orders not filled by Schwab, NFS, and TDA may include investment research, both proprietary and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab, NFS, or TDA. In addition to investment research, Schwab, NFS, and TDA also make available software and other technology that:

- Provides access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services that generally benefit only us.** Schwab, NFS, and TDA also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers
- Indirect Marketing consulting and support

Schwab, NFS, and TDA may provide some of these services directly. In other cases, they may arrange for third-party vendors to provide the services to us. Schwab, NFS, and TDA may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab, NFS, and TDA may also provide us with other benefits, such as occasional business entertainment of our personnel.

#### **Our Interest in Schwab, NFS, and TDA Services**

The availability of these services from Schwab, NFS, and TDA benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab, NFS, and TDA services. These services are not contingent upon us committing any specific amount of business to them in trading commissions or assets in custody. This creates an incentive to require that non-municipal government entities maintain accounts with Schwab, NFS, or TDA, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We ultimately believe, however, that our selection of Schwab, NFS, and TDA as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of their services (see "How we select brokers/custodians") and not services that benefit only us.

Generally, NACP's municipal portfolios (utilizing fixed income securities only) utilize brokers that are independent of our operation and independent of their custodian to fill buy and sell orders. Many of these orders are filled on a "block" basis to ensure that all clients receive the same price, settlement, and other transaction details. From time to time NACP may use outside brokers to fill larger fixed income transaction orders and include portfolios otherwise having custody at TDA or Schwab in block fixed income transactions along with municipal portfolios. Such transactions generally involve a "trade-away" fee of \$25, charged by the client's custodian.

### **Research and other Soft Dollar Benefits**

NACP has no existing or proposed agreements with any brokers regarding the payment of "soft dollar" benefits.

### **Brokerage for Client Referrals**

NACP and its related parties, receive no referrals of client accounts from any broker or brokerage firm with whom we execute transactions. Doing so, in our opinion, may materially breach our fiduciary duties to our clients.

### **Directed Brokerage**

NACP does not permit clients to direct us to engage brokers to facilitate client orders.

## **Item 13 - Review of Accounts**

With regard to portfolios other than non-qualified (non-discretionary) defined contribution plans most portfolios are generally reviewed on a daily basis, excepting travel, vacation, and illness similar periods of temporary absence. However, every rational effort is made to remotely review portfolios during periods of temporary absence. These portfolios generally retain automated



reporting capabilities allowing us to efficiently review data related to transactions, client deposits, withdrawals, security price changes, and other events.

Municipal government entity accounts are reviewed not less than monthly. Municipal government entity accounts and certain institutional accounts may receive monthly, written (submitted via electronic mail) reports of positions, transactions, income, cash reconciliations, and similar activities. Our valuation of securities in public sector accounts utilizes Bloomberg LP data whenever possible. From time to time, cost and face values of certain non-marketable securities, such as FDIC insured Certificates of Deposit may be used where observable market transactions may not exist. In accordance with SEC Rule 206-(4)-2, we urge clients to rely upon portfolio statements provided by their qualified custodian for purposes of official reporting as to account values, holding, and tax reporting.

All other clients may request specific account reporting from our offices that should be compared to their custodial records. Should clients seek to receive certain reports for their internal use, clients are instructed to contact our offices.

In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

## **Item 14 – Client Referrals and Other Compensation**

We receive an economic benefit from Schwab, NFS, and TDA in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab, NFS, and TDA. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

## **Item 15 – Custody**

Under government regulations, we may be deemed to have custody of your assets if, for example, you authorize us to instruct Schwab, NFS, or TDA to deduct our advisory fees directly from your account. However, we hold no cash, securities, or other investments for any clients. Schwab, TDA, NFS, USB, and 53 perform this function, independent of our activities.

Schwab, NFS, and TDA maintain actual custody of your assets. You will receive account statements directly from Schwab, NFS, and TDA at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab, NFS, or TDA. You should carefully review those

statements promptly when you receive them. We also urge you to compare Schwab, NFS, and TDA account statements with any material you may receive from us.

NACP does not have the capacity to obtain custody, including direct billing, from either USB or 5/3. NACP does, for certain clients, prepare internally generated statements and other reports used for portfolio analysis. Specific disclosures accompany all internally prepared reports in accordance with SEC Rule 206(4)-2 urging clients to rely upon those reports provided directly from a qualified custodian for purposes of tax and financial reporting.

## **Item 16 – Investment Discretion**

NACP may offer to advise defined contribution retirement plans that are considered non-discretionary for purposes of SEC reporting. In these cases, NACP offers recommendations as to potential fund selections and ongoing fund change proposals to the plan fiduciaries. The plan fiduciaries are ultimately responsible for making changes to the underlying plan investments.

For other portfolios, NACP may generally retain operational discretion for managing client portfolios. In this capacity, NACP coordinates the purchase, sale, and settlement of transactions within client portfolios. In these cases, NACP receives a limited power of attorney or similar authorization in order to affect these transactions for client portfolios.

## **Item 17 – Voting Client Securities**

In accordance with SEC Rule 206(4)-6, NACP is willing to accept voting responsibilities for client securities. Certain clients may desire to retain voting authority over their accounts. In such cases, client new account paperwork will identify the client's address of record for delivery of proxy information.

As further described in our proxy voting policy statements, NACP operates as, primarily, a long-only portfolio management firm. Accordingly, securities purchased long are generally done so with some degree of confidence in present management. Consequently, NACP generally votes proxy materials in favor of management recommendations. NACP does not, and has not since its inception, created an atmosphere of activism with regard to its portfolio positions.

Additionally, every effort is made to ensure that all proxy materials are voted consistently such that one client is not placed in conflict with another client. As proxy materials are anonymous as to the client identification, it is difficult, if not impossible, to segregate votes between clients.

Should clients have a specific consideration or concern with regard to a specific voting matter, clients are encouraged to contact our offices directly. Clients may obtain a copy of our proxy voting policies and procedures upon request.

## **Item 18 – Financial Information**

NACP does not solicit payment of more than \$1,200 per client, six months or more in advance of any service. NACP holds no funds or securities on behalf of its clients and is not required to file audited financial statements.

## **Item 19 – State Registered Advisers**

NACP is not subject to state regulatory registration beyond “notice” filing obligations. NACP notice files in the State of Ohio and has a notice file application in processing with South Carolina.



NEW ALBANY CAPITAL PARTNERS<sup>LLC</sup>

John N. Lewis, Jr.

4200 Regent Street, Suite 200  
Columbus, Ohio 43219  
614-944-5011

SEC Form ADV Part 2B

March 26, 2019

This brochure supplement, FORM ADV Part 2B, provides information about John N. Lewis, Jr. that supplements New Albany Capital Partners, LLC's brochure. You should have received a copy of that brochure (SEC FORM ADV Parts 1 and 2A). Please contact John Lewis at 614-944-5011 if you did not receive New Albany Capital Partners, LLC's brochure or if you have any questions about the contents of this supplement. Additional disclosure information about John N. Lewis, Jr. is available on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 1 – EDUCATIONAL BACKGROUND

John graduated from The Ohio State University in 1991 with a Bachelor's degree in business administration, majoring in Accounting.

John received the Chartered Financial Analyst (CFA) designation in 1999.

## ITEM 2 – BUSINESS EXPERIENCE (MOST RECENT 5 YEARS)

September, 2007 – Present

New Albany Capital Partners, LLC  
(Please review Item 6 for additional disclosures)

## ITEM 3 – OTHER BUSINESS ACTIVITIES

On March 1, 2019, John entered into a consulting agreement with RedTree Investment Group (“RT”) of Cincinnati for the purpose of transferring portfolio management responsibilities for public sector clients from New Albany Capital Partners, LLC, to RT. RT operates an independent RIA with a focus on public sector portfolio management. John is a “Dual Registrant” with both New Albany Capital Partners, LLC, and RT.

## ITEM 4 – ADDITIONAL COMPENSATION RECEIVED

John receives no outside compensation, referral fees, rebates, soft-dollars (including those permitted under Section 28(e)) in the execution of his responsibilities. John will be compensated as a function of his consulting agreement with RT as noted in Item 3 above.

## ITEM 5 – DISCIPLINARY INFORMATION

John has no disciplinary information to disclose.

## ITEM 6 – SUPERVISION

As the senior officer of New Albany Capital Partners, LLC, John is self-supervised. As the Chief Investment Officer, John retains the final approval authority for all transactions initiated by the Firm on behalf of its discretionary clients.

John also serves as the Firm's Chief Compliance Officer (“CCO”).