

# FORM ADV 2A – DISCLOSURE BROCHURE

## CAPTRUST FINANCIAL ADVISORS

*a Registered Investment Advisor*

**Effective: February 12, 2024**

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This Form ADV 2A (“Disclosure Brochure”) provides information about the qualifications and business practices of Well Done, LLC dba CapTrust Financial Advisors (hereinafter “CapTrust” or the “Advisor”). If you have any questions about the content of this Disclosure Brochure, please contact the Advisor at the telephone number listed above. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about the Advisor and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 173736. The Advisor is a registered investment advisor. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

CapTrust believes that communication and transparency are the foundation of its relationship with clients and will continually strive to provide you with complete and accurate information at all times. CapTrust encourages all current and prospective clients to read this Disclosure Brochure and discuss any questions you may have with the Advisor.

### Material Changes

The following material change has been made to this Disclosure Brochure since the last filing and distribution to Clients:

There have been no material changes to this disclosure brochure since the last filing and distribution to clients.

### Future Changes

From time to time, the Advisor may amend this Disclosure Brochure to reflect changes in business practices, changes in regulations or routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to you annually and if a material change occurs in the business practices of CapTrust.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 173736. You may also request a copy of this Disclosure Brochure at any time, by contacting the Advisor at (616) 392-5332.

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## **Item 4. Advisory Business**

### **A. Firm Information**

Well Done, LLC dba CapTrust Financial Advisors (hereinafter “CapTrust” or the “Advisor”) is a registered investment advisor with the U.S. Securities and Exchange Commission (“SEC”). CapTrust is organized as a limited liability company (“LLC”) under the laws of the State of Michigan. The Advisor was founded in 1997 and became a registered investment advisor in January 2015. CapTrust is primarily owned by Brian VandenBrink, Shawn Pacanowski, Bryan Linn, Brendon Johnson, and Rhonda Carter, all of whom believe in an employee-ownership structure.

While this Disclosure Brochure generally describes the business of CapTrust, certain sections also discuss the activities of its Supervised Persons, which refer to the Advisor’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on CapTrust’s behalf and is subject to the Advisor’s supervision or control.

**For information regarding this Disclosure Brochure, please contact Rhonda Carter, the Chief Compliance Officer at (616) 392-5332.**

### **B. Advisory Services Offered**

CapTrust offers a variety of advisory services to individuals, high net worth individuals, trusts, estates, charitable organizations, businesses and retirement plans (each a “Client”).

The Advisor serves as a fiduciary to its Clients, as defined under the applicable laws and regulations. As a fiduciary, the Advisor upholds a duty of loyalty, fairness and good faith towards each Client and seeks to mitigate conflicts of interest. CapTrust’s fiduciary commitment is further described in the Advisor’s Code of Ethics. For more information regarding our Code of Ethics, please see Item 11 – Code of Ethics.

#### Wealth Planning and Investment Management Services

The Advisor’s Wealth Planning and Investment Management service includes regular and continuous Client interactions integrated with ongoing guidance and planning and portfolio management services. These services are defined below and may be offered on a stand-alone basis.

#### Wealth Planning Services

CapTrust offers Clients a broad range of Wealth Planning services as part of its comprehensive wealth management services or pursuant to a Client agreement. Services include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Trust and Estate Planning
- Investment Consulting
- Education Savings
- Retirement Planning
- Risk Management
- Charitable Giving
- Tax Planning
- Social Security Planning

Generally, such planning services involve preparing a formal financial plan or rendering a specific financial consultation based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including but not limited to, investment planning, retirement planning, personal savings, education savings, insurance needs and other areas of a Client's financial situation.

A financial plan developed for, or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs.

CapTrust may also refer Clients to an accountant, attorney or other specialists, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of the Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor might not provide a written summary.

Wealth Planning recommendations pose a conflict between the interests of the Advisor and the interests of the Client. For example, the Advisor has an incentive to recommend that Clients engage the Advisor for Investment Management services or to increase the level of investment assets with the Advisor, as it would increase the amount of advisory fees paid to the Advisor. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to implement the transaction through the Advisor.

#### Investment Management Services

CapTrust manages Client investment portfolios on a discretionary or non-discretionary basis. CapTrust primarily allocates Client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities, variable annuities and independent investment managers, as described below, in accordance with their stated investment objectives. In addition, CapTrust also recommends that certain eligible Clients invest in privately placed securities, which includes debt, equity and/or interests in collective investment vehicles (e.g., hedge funds, private equity funds, etc.).

Where appropriate, the Advisor also provides advice about any type of legacy position or other investment held in Client portfolios. Clients may engage CapTrust to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, CapTrust directs or recommends the allocation of Client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

CapTrust tailors its advisory services to meet the needs of its individual Clients and seeks to ensure, on a continuous basis, that Client portfolios are managed in a manner consistent with those needs and objectives. CapTrust consults with Clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify CapTrust if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if CapTrust determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Advisor's management efforts.

At no time will CapTrust accept or maintain custody of a Client's funds or securities, except for the limited authority as outlined in Item 15 – Custody. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the terms of the advisory agreement. For additional information, please see Item 12 – Brokerage Practices.

*Retirement Accounts* – When the Advisor provides investment advice to Clients regarding ERISA retirement accounts or individual retirement accounts (“IRAs”), the Advisor is a fiduciary within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts. When deemed to be in the Client's best interest, the Advisor will provide investment advice to a Client regarding a distribution from an ERISA retirement account or to roll over the assets to an IRA, or recommend a similar transaction including rollovers from one ERISA sponsored Plan to another, one IRA to another IRA, or from one type of account to another account (e.g. commission-based account to fee-based account). Such a recommendation creates a conflict of interest if the Advisor will earn a new (or increase its current) advisory fee as a result of the transaction. No client is under any obligation to roll over a retirement account to an account managed by the Advisor.

*Use of Independent Managers* – When deemed to be in the Client's best interest, CapTrust will recommend to Clients that all or a portion of their investment portfolio be implemented by utilizing one or more unaffiliated money managers or investment platforms (collectively “Independent Managers”). Independent Managers may be sourced directly or accessed through an investment management platform. CapTrust serves as the Client's primary Advisor and Relationship Manager. However, the Independent Manager[s] will assume discretionary authority for the day-to-day investment management of those assets placed in their control. CapTrust will assist and advise the Client in establishing investment objectives for their account[s], the selection of the Independent Manager[s], and defining any restrictions on the account[s]. CapTrust will continue to provide oversight of the Client's account[s] and ongoing monitoring of the activities of these unaffiliated parties. The Independent Manager[s] will implement the selected investment strategies based on their investment mandates. The Client may be able to impose reasonable investment restrictions on these accounts, subject to the acceptance of these third parties. CapTrust does not receive any compensation from these Independent Managers, other than its investment advisory fee as described in Item 5 below.

*Non-Purpose Loans* – When deemed to be in the Client's best interest, the Advisor will introduce Clients to non-purpose loan programs available through the Custodian's banking partner (“Lending Program”). In such instances, the Client's assets in their account[s] at the Custodian will be utilized as collateral for a non-purpose loan. The recommendation of a Lending Program presents a conflict of interest as the Advisor will continue to receive investment advisory fees for managing the collateralized assets in the Client's account[s]. Clients are not obligated to engage the Advisor for the Lending Program. For additional information related to the risks involved non-purpose loans, please see Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.

*Fully Paid Securities Lending* – The Custodian allows Clients to enroll in their Fully Paid Securities Lending program (“FPSL”) which enables Clients to lend certain securities to the Custodian in exchange for additional income in their portfolios. Securities lending is when a Client temporarily loans securities to a financial institution. The Client will enter into a separate loan agreement that will cover the terms of the loan. Pershing utilizes the securities to satisfy both internal and external borrowing needs. The Custodian will earn revenue from lending these securities and a portion of that revenue will be shared with the Client. The Advisor does not earn any additional revenue for Clients who choose to enroll in FPSL.

#### Retirement Plan Advisory Services

CapTrust provides advisory services on behalf of company retirement plans (each a separate “Plan”) and the company/sponsor (the “Plan Sponsor”). The Advisor's retirement plan advisory services are designed to assist the Plan Sponsor in meeting its fiduciary obligations to the Plan and Plan Participants. Each

engagement is customized to the needs of the Plan and Plan Sponsor. Services generally include:

- Vendor Analysis
- Investment Policy Statement (“IPS”) Design and Monitoring
- Plan Participant Enrollment and Education Tracking
- Investment Oversight Services (ERISA 3(21))
- Investment Management Services (ERISA 3(38))
- Performance Reporting
- Ongoing Investment Recommendation and Assistance

These services are provided by CapTrust serving in the capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), the Plan Sponsor is provided with a written description of CapTrust’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Advisor reasonably expects under the engagement.

### **C. Client Account Management**

Prior to CapTrust rendering any of the aforementioned advisory services, the Client is required to enter into one or more written agreements with CapTrust setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

- Establishing an Investment Strategy – CapTrust, in connection with the Client, will develop a strategy that seeks to achieve the Client’s goals and objectives.
- Asset Allocation – CapTrust will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – CapTrust will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – CapTrust will provide investment management and ongoing oversight of the Client’s investment portfolio.

### **D. Wrap Fee Programs**

CapTrust typically includes the securities transaction fees together with its Investment Management fee. The combination of these fees into a single, “bundled” fee is called a Wrap Fee Program. CapTrust serves as the sponsor and portfolio manager of the CapTrust Wrap Fee Program. In the event the Client is provided Investment Management services under the CapTrust Wrap Fee Program, securities transaction fees for the Advisor’s discretionary trading in the Client’s account[s] will be covered under the Wrap Fee Program. Clients may pay a higher or lower aggregate fee than if investment management and brokerage services are purchased separately, depending on the level of trading in the Client’s account[s]. A complete description of the CapTrust Wrap Fee Program is contained in the Appendix 1 – Wrap Fee Program Brochure, which is included as part of this overall Disclosure Brochure. CapTrust manages wrap fee accounts in substantially the same fashion as non-wrap fee accounts.

### **E. Assets Under Management**

As of December 31, 2023, CapTrust manages \$1,700,964,820 in Client assets, \$1,690,845,680 of which are on a discretionary basis and \$10,119,140 of which are on a non-discretionary basis. Clients may request more current information at any time by contacting the Advisor.

## Item 5. Fees and Compensation

The following paragraphs detail the fee structure and compensation methodology for services provided by the Advisor. Each Client engaging the Advisor for services described herein shall be required to enter into an advisory agreement with the Advisor.

### A. Fees for Advisory Services

Fees are paid quarterly, in advance of each calendar quarter, pursuant to the terms of the advisory agreement. Fees are based on the market value of assets under management at the end of the prior quarter. The fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with the Advisor unless negotiated otherwise. All securities held in accounts managed by CapTrust will be independently valued by the designated Custodian. CapTrust will conduct periodic reviews of the Custodian's valuations.

Additionally, the Advisor provides advisement with respect to certain Client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), CapTrust may negotiate a fee rate that differs from the ranges set forth below, which may be higher or lower for a given level of assets. Certain Clients may also be charged a single fixed rate or fixed dollar amount for these services.

Clients may make additions to and withdrawals from their account at any time, subject to CapTrust's right to terminate an account. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate any transferred securities or declines to accept particular securities into a Client's account. Clients may withdraw account assets on notice to CapTrust, subject to the usual and customary securities settlement procedures. However, the Advisor generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. CapTrust may consult with its Clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

### Wealth Planning and Investment Management

Wealth Planning and Investment Management fees generally range from 0.50% to 1.50% annually based on multiple factors, including, the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with CapTrust.

### Investment Management Services

Investment Management fees generally range from 0.20% to 1.50% annually based on multiple factors, including, the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with CapTrust.

*Use of Independent Managers* – As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio utilizing one or more Independent Managers. To eliminate any conflict of interest, the Advisor does not earn any compensation from an Independent Manager. The Advisor will only earn its investment advisory fee as described above. Independent Managers typically do not offer any fee discounts but may have a breakpoint schedule which will reduce the fee with an increased level of assets placed under management with an Independent Manager. The terms of such fee arrangements are included in the Independent Manager's disclosure brochure and applicable contract[s] with the Advisor or Independent Manager. The total blended fee, including the Advisor's fee and the Independent Manager's fee, will not exceed 2.25% annually, except for certain privately placed collective investment vehicles (e.g., hedge funds, private equity funds, etc.) where the Independent Manager fee includes a base rate fee plus a performance-



based fee and/or fund expenses are passed along to the investor. Clients should consult each fund's private placement memorandum and/or other documents explaining fees prior to investing.

#### Guidance & Planning Only Services

CapTrust generally charges a fixed fee for providing Guidance & Planning services under a stand-alone engagement. These fees are negotiable, but generally range from \$1,500 to \$20,000 annually on a fixed fee basis, depending upon the scope and complexity of the services and the professional rendering the Guidance & Planning Services.

#### Retirement Plan Advisory Services

Fees for retirement plan advisory services are charged an annual asset-based fee of up to 1.00%, Fees may be negotiable depending on the size and complexity of the Plan.

### **B. Billing**

#### Wealth Planning and Investment Management /Investment Management Services

Fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the agreed-upon fee structure to the assets under management and/or advisement per the Schedule of Fees Addendum, as of the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the fee. Clients provide written authorization permitting advisory fees to be deducted by CapTrust directly from their account[s] held by the Custodian as part of the Advisory Agreement and separate account forms provided by the Custodian. Assets under management that are held away from the Client's primary Custodian may be billed to the Client's taxable brokerage account at the primary Custodian, billed to a CapTrust account designated by the client, or invoiced directly to the Client.

#### Use of Independent Managers

For Client accounts implemented through an Independent Manager, the Advisor and the Independent Manager will each assume the responsibility for calculating and deducting their respective fees from the Client's account[s].

#### Guidance & Planning Only

Stand-alone Guidance & Planning fees are invoiced as indicated in the client agreement and due upon the date specified. If the Client engages the Advisor for Investment Management services, the Client may choose to have their overall fees deducted from their accounts.

#### Retirement Plan Advisory Services

Fees may be directly invoiced to the Plan Sponsor or deducted from the assets of the Plan, depending on the terms of the Advisory Agreement.

### **C. Other Fees and Expenses**

In addition to the advisory fees paid to CapTrust, Clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "Financial Institutions"). These additional charges include securities brokerage commissions, transaction fees, fees attributable to alternative assets and foreign securities, reporting charges, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a Client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. The Client may terminate the investment advisory, retirement and financial planning agreement within five (5) business days of signing the Advisor's agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide

advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor's brokerage practices are described at length in Item 12, below.

#### **D. Advance Payment of Fees and Termination**

CapTrust is compensated for its services in advance of the quarter in which services are rendered. Either party may terminate the advisory agreement, at any time, by providing advance written notice to the other party. The Client may also terminate the advisory agreement within five (5) business days of signing the agreement at no cost to the Client. After the five-day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. The Advisor will refund any unearned, prepaid advisory fees from the effective date of termination to the end of the quarter. The Client's advisory agreement is non-transferable without the Client's prior consent.

#### Use of Independent Managers

In the event that a Client should wish to terminate their relationship with the Independent Manager, the terms for termination will be set forth in the respective agreements between the Client and the Advisor or the Independent Manager. CapTrust will assist the Client with the termination and transition as appropriate.

### **Item 6. Performance-Based Fees and Side-by-Side Management**

CapTrust does not charge performance-based fees for its investment advisory services. The fees charged by CapTrust are as described in Item 5 above and are not based upon the capital appreciation of the funds or securities held by any Client.

CapTrust does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

### **Item 7. Types of Clients**

CapTrust offers services to individuals, high net worth individuals, trusts, estates, charitable organizations, corporations and business entities and pension and profit-sharing plans. Information regarding each type of Client is available on the Advisor's Form ADV Part 1A. These amounts may change over time and are updated at least annually by the Advisor.

#### Minimum Account Fee

As a condition for starting and maintaining a Client relationship, CapTrust may impose a minimum relationship fee of \$3,500. This minimum fee may cause Clients with smaller portfolios to incur an effective fee rate that is higher than the Advisor's stated fee schedule. CapTrust may, in its sole discretion, elect to waive its minimum fee based upon certain criteria, including anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing Client, account retention, and pro bono activities. Additionally, certain Independent Managers may impose a minimum fee.

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

#### **A. Methods of Analysis**

CapTrust utilizes a combination of fundamental and technical analysis in developing investment strategies for its Clients. Research and analysis from CapTrust are derived from numerous sources, including financial media companies, third-party research materials, internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

*Fundamental analysis* involves an evaluation of the fundamental financial condition and competitive position of a particular fund or investment manager. For CapTrust, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Advisor's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the investment.

*Technical analysis* involves the examination of past market data rather than specific issuer information in determining the recommendations made to Clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that CapTrust will be able to accurately predict such a reoccurrence.

As noted above, CapTrust generally employs a long-term investment strategy for its Clients, consistent with their financial goals. CapTrust will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, CapTrust may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CapTrust will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included below in Item 13 – Review of Accounts.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process. Following are some of the risks associated with the Advisor's approach:

### Market Risk

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of CapTrust's recommendations and/or investment decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. There can be no assurance that CapTrust will be able to predict those

price movements accurately or capitalize on any such assumptions.

#### Use of Independent Managers

As stated above, CapTrust may select certain Independent Managers to manage a portion of its Clients' assets. In these situations, CapTrust continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, CapTrust generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

#### ETF Risks

The performance of ETFs is subject to market risk, including the possible loss of principal. The price of the ETFs will fluctuate with the price of the underlying securities that make up the funds. In addition, ETFs have a trading risk based on the loss of cost efficiency if the ETFs are traded actively and a liquidity risk if the ETFs has a large bid-ask spread and low trading volume. The price of an ETF fluctuates based upon the market movements and may dissociate from the index being tracked by the ETF or the price of the underlying investments. An ETF purchased or sold at one point in the day may have a different price than the same ETF purchased or sold a short time later.

#### Mutual Fund Risks

The performance of mutual funds is subject to market risk, including the possible loss of principal. The price of the mutual funds will fluctuate with the value of the underlying securities that make up the funds. The price of a mutual fund is typically set daily therefore a mutual fund purchased at one point in the day will typically have the same price as a mutual fund purchased later that same day.

#### Real Estate Investment Trusts (REITs)

CapTrust may recommend an investment in, or allocate assets among, various real estate investment trusts ("REITs"), the shares of which exist in the form of either publicly traded or privately placed securities. REITs are collective investment vehicles with portfolios comprised primarily of real estate and mortgage related holdings. Many REITs hold heavy concentrations of investments tied to commercial and/or residential developments, which inherently subject REIT investors to the risks associated with a downturn in the real estate market. Investments linked to certain regions that experience greater volatility in the local real estate market may give rise to large fluctuations in the value of the vehicle's shares. Mortgage related holdings may give rise to additional concerns pertaining to interest rates, inflation, liquidity and counterparty risk.

#### Options

Options allow investors to buy or sell a security at a contracted "strike" price at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge (i.e., limit) losses in an attempt to reduce risk or to speculate on the performance of the underlying securities. Options transactions contain a number of inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase/decrease to the level of the respective strike price. Holders of options contracts are also subject to default by the option writer, which may be unwilling or unable to perform its contractual obligations.

#### Master Limited Partnerships (MLPs)

Master Limited Partnerships ("MLPs") are collective investment vehicles, the partnership interests of which are publicly traded on national securities exchanges. MLPs invest primarily in companies within the energy sector that engage in qualifying lines of business, such as natural resource production and mineral refinement. MLPs are therefore subject to the underlying volatility of the energy industry and may be adversely affected by changes to supply and demand, regional instability, currency spreads, inflation and interest rate fluctuations, among other such factors. In addition, MLPs operate as pass-through tax entities,

meaning that investors are liable for their pro rata share of the partnership taxes, regardless of the types of accounts where the interests are held.

#### Use of Private Collective Investment Vehicles

CapTrust recommends that certain Clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

#### Non-Purpose Loans

Non-purpose loans carry a number of risks, including but not limited to the risk of a market downturn, tax implications if collateralized securities are liquidated, and an increase in interest rates. A decline in the market value of collateralized securities held in the account[s] at the Custodian, may result in a reduction in the draw amount of the Client's line of credit, a demand from the Lending Program that the Client deposit additional funds or securities in the Client's collateral account[s], or a forced sale of securities in the Client's collateral account[s].

#### Fully Paid Securities Lending

FPSL carries a number of risks, including the risk that the custodian will default in some way, for example by becoming insolvent, which could result in the Custodian failing to return borrowed securities to you. Securities lending is not appropriate for all investors. Reclassification of dividend income from loaned securities may cause tax ramifications, and proxy voting rights on these securities are forfeited. In addition, loaned securities are not protected by SIPC. Enrollment in a securities lending program does not guarantee that securities will actually be borrowed.

#### Structured Products

Structured notes are not bank deposits and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency. The terms and risks of each structured note vary materially depending on the nature and volatility of the referenced asset, the credit-worthiness of the issuer, and the maturity of the instrument, among other factors. The general risks associated with this type of investment include, but are not limited to, non-payment risk (payment of interest and return of principal may be reduced, in whole or in part, due to underperformance of the referenced asset); counter-party risk (for reasons such as bankruptcy, the issuer of the structured note may fail to pay all or a portion of the principal and interest due on the structured note); underperformance risk (depending on market conditions, the structured note may underperform alternative allocations to traditional bonds, the referenced asset, or a combination of such investments). Structured notes are significantly riskier than conventional debt instruments. There is a risk of loss of some or all of the principal at maturity.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor.**

## **Item 9. Disciplinary Information**

CapTrust has not been involved in any legal or disciplinary events. CapTrust values the trust you place in the Advisor. The Advisor encourages Clients to perform the requisite due diligence on any advisor or service

provider that the Client engages. The backgrounds of the Advisor and its Advisory Persons are available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor's firm name or CRD# 173736.

## **Item 10. Other Financial Industry Activities and Affiliations**

### Licensed Insurance Agents

Certain Advisory Persons maintain their insurance licenses for educational purposes only. These Advisory Persons do not earn commissions for the implementation of any insurance products.

### Use of Independent Managers

As noted in Item 4, the Advisor may implement all or a portion of a Client's investment portfolio with one or more Independent Managers. The Advisor does not receive any compensation nor does this present a material conflict of interest. The Advisor will only earn its investment advisory fee as described in Item 5.A.

## **Item 11. Code of Ethics**

CapTrust has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. CapTrust's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Advisor or any of its Supervised Persons and the trading by the same of securities ahead of Clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of CapTrust's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Advisor's Supervised Persons are permitted to buy or sell securities that it also recommends to Clients if done in a fair and equitable manner that is consistent with the Advisor's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Advisor is engaging in or considering a transaction in any security on behalf of a Client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (*i.e.*, spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with Clients; or
- a decision has been made not to engage in the transaction for the Client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective Clients may contact CapTrust to request a copy of its Code of Ethics.

## Item 12. Brokerage Practices

### A. Recommendation of Custodian[s]

CapTrust does not have discretionary authority to select the broker-dealer/custodian for custody and execution services. The Client will engage the broker-dealer/custodian (herein the "Custodian") to safeguard Client assets and authorize CapTrust to direct trades to the Custodian as agreed upon in the investment advisory agreement. Further, CapTrust does not have the discretionary authority to negotiate commissions on behalf of Clients on a trade-by-trade basis. The Client, either through the account opening paperwork at the designated custodian or via the executed Agreement with the Advisor, may grant the Advisor limited authority to place trades away from the Custodian. Please see Prime Brokerage Authorization below.

Where CapTrust does not exercise discretion over the selection of the Custodian, it may recommend the Custodian[s] to Clients for custody and execution services. Clients are not obligated to use the Custodian recommended by the Advisor and will not incur any extra fee or cost associated with using a Custodian not recommended by CapTrust. However, the Advisor may be limited in the services it can provide if the recommended Custodian is not engaged. CapTrust may recommend the Custodian based on criteria such as, but not limited to, reasonableness of commissions charged to the Client, services made available to the Client, its reputation and/or the location of the Custodian's offices. CapTrust generally recommends that Clients utilize the custody, brokerage and clearing services of Pershing Advisor Solutions ("Pershing") and Trade-PMR Inc. ("Trade-PMR") for investment management accounts. Trade-PMR, Inc. acts as an introducing broker clearing on a fully-disclosed basis through Wells Fargo Clearing Services LLC. CapTrust maintains an institutional relationship with Pershing and Trade-PMR, whereby the Advisor receives economic benefits from Pershing and Trade-PMR. Please see Item 14 below.

**1. *Soft Dollars*** - Soft dollars are revenue programs offered by broker-dealers/custodians whereby an advisor enters into an agreement to place security trades with a broker-dealers/custodian in exchange for research and other services. **CapTrust does not participate in soft dollar programs sponsored or offered by any broker-dealer/custodian. However, the Advisor receives certain economic benefits from the Custodian. Please see Item 14 below.**

**2. *Brokerage Referrals*** - CapTrust does not receive any compensation from any third party in connection with the recommendation for establishing an account.

**3. *Directed Brokerage*** - All Clients are serviced on a "directed brokerage basis", where CapTrust will place trades within the established account[s] at the Custodian designated by the Client. Further, all Client accounts are traded within their respective account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). CapTrust will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the Custodian.

**4. *Prime Brokerage*** - Relative to its discretionary investment advisory services, when beneficial to the Client, individual fixed income transactions may be affected through broker-dealers/custodians other than a custodian with custody of the account[s]. The Client, either through the account opening paperwork at the designated custodian or via the executed Agreement with the Advisor, authorizes the Advisor to trade away from and settle at the established account[s] at the Custodian[s]. The Client generally will incur both the fee (commission, mark-up/mark-down) charged by the executing broker-dealer and a separate "trade away" and/or prime broker fee charged by the Custodian with custody of the account[s].

**B. Aggregating and Allocating Trades**

Transactions for each Client generally will be affected independently, unless CapTrust decides to purchase or sell the same securities for several Clients at approximately the same time. CapTrust may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Advisor’s Clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among CapTrust’s Clients pro rata to the purchase and sale orders placed for each Client on any given day. To the extent that the Advisor determines to aggregate Client orders for the purchase or sale of securities, including securities in which CapTrust’s Supervised Persons may invest, the Advisor generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. CapTrust does not receive any additional compensation or remuneration as a result of the aggregation.

In the event that the Advisor determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, the Advisor may exclude the account(s) from the allocation; the transactions may be executed on a pro-rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

**Item 13. Review of Accounts**

CapTrust monitors Client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by Advisory Persons. All investment advisory Clients are encouraged to discuss their needs, goals and objectives with CapTrust and to keep the Advisor informed of any changes thereto. The Advisor contacts ongoing investment advisory Clients at least annually to review its previous services and/or recommendations and the impact resulting from any changes in the Client’s financial situation and/or investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, Clients may also receive written or electronic reports from CapTrust and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from Pershing and Trade-PMR with any documents or reports they receive from CapTrust or an outside service provider.



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

### **A. Compensation Received by CapTrust**

CapTrust does not receive commissions or other compensation from product sponsors, broker-dealers or any un-related third party. CapTrust may refer Clients to various unaffiliated, non-advisory professionals (e.g. attorneys, accountants, estate planners) to provide certain financial services necessary to meet the goals of its Clients. Likewise, CapTrust may receive non-compensated referrals of new Clients from various third-parties.

#### Participation in Institutional Advisor Platform

CapTrust receives without cost from Pershing and Trade-PMR computer software and related systems support, which allow CapTrust to better monitor Client accounts maintained at Pershing and Trade-PMR. CapTrust receives the software and related support without cost because the Advisor renders Investment Management services to Clients that maintain assets at Pershing and Trade-PMR. The software and support is not provided in connection with securities transactions of Clients (i.e., not “soft dollars”). The software and related systems support may benefit CapTrust, but not its Clients directly. In fulfilling its duties to its Clients, CapTrust endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that CapTrust’s receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Advisor’s choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, CapTrust receives the following benefits from Pershing and/or Trade-PMR:

- Receipt of duplicate Client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and
- Access to an electronic communication network for Client order entry and account information.

### **B. Compensation for Client Referrals**

CapTrust does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client referrals.

## **Item 15. Custody**

CapTrust does not accept or maintain custody of any Client accounts, except for the authorized deduction of the Advisor’s fees and certain money movement authorization as defined below. All Clients must place their assets with a “qualified custodian”. Clients are required to engage the Custodian to retain their funds and securities and direct CapTrust to utilize that Custodian for the Client’s security transactions. Clients should review statements provided by the Custodian and compare to any reports provided by CapTrust to ensure accuracy, as the Custodian does not perform this review. For more information about custodians and brokerage practices, see Item 12 – Brokerage Practices.

If the Client gives the Advisor authority to move money from one account to another account, the Advisor may have custody of those assets. In order to avoid additional regulatory requirements, the Custodian and the Advisor have adopted safeguards to ensure that the money movements are completed in accordance with the Client’s instructions.

## **Item 16. Investment Discretion**

CapTrust may be given the authority to exercise discretion on behalf of Clients. CapTrust is considered to exercise investment discretion over a Client's account if it can affect and/or direct transactions in Client accounts without first seeking their consent. CapTrust is given this authority through a limited power-of-attorney included in the agreement between CapTrust and the Client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). CapTrust takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired.

## **Item 17. Voting Client Securities**

CapTrust generally does not accept the authority to vote a Client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Advisor at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 18. Financial Information**

CapTrust is not required to disclose any financial information due to the following:

- The Advisor does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Advisor does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients; and
- The Advisor has not been the subject of a bankruptcy petition at any time during the past ten years.

# CAPTRUST WRAP FEE PROGRAM BROCHURE

## CAPTRUST FINANCIAL ADVISORS

*a Registered Investment Adviser*

**Effective: February 12, 2024**

85 East 8th Street, Suite 150  
Holland, Michigan 49423

Phone: (616) 392-5332 \* Fax: (616) 392-5565  
[www.ctfa.com](http://www.ctfa.com)

This Appendix 1 (“Wrap Fee Program Brochure”) provides information about the qualifications and business practices of Well Done, LLC dba CapTrust Financial Advisors (hereinafter “CapTrust” or the “Advisor”) when securities transaction fees are included with investment advisory fees into a single fee (a “Wrap Fee”). If you have any questions about the contents of this Wrap Fee Program Brochure, please contact the Advisor at the telephone number listed above. The information in this Wrap Fee Program Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about the Advisor and its Advisory Persons is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 173736. The Advisor is a registered investment advisor. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

This Wrap Fee Program Brochure provides information about a variety of topics relating to an Advisor’s business practices and conflicts of interest. In particular, this Wrap Fee Program Brochure discusses the wrap fee structure sponsored by CapTrust, and is designed to accompany the disclosures included in the Form ADV 2A – Disclosure Brochure.

Material Changes

There have been no material changes to this Wrap Fee Program Brochure since the last filing and distribution to Clients.

At any time, you may view the current Disclosure Brochure on-line at the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) by searching with the Advisor’s firm name or CRD# 173736. You may also request a copy of this Wrap Fee Program Brochure at any time, by contacting the Advisor at (616) 392-5332.

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## Item 4. Advisory Business

### A. Services

CapTrust provides customized investment advisory services for individuals, high net worth individuals, trusts, estates, charitable organizations, businesses and retirement plans (each referred to as a “Client”). This Wrap Fee Program Brochure is provided as a supplement to CapTrust’s Form ADV Part 2A (“Disclosure Brochure”). This Wrap Fee Program Brochure is provided along with the complete Disclosure Brochure to provide full details of the business practices and fees when selecting CapTrust as an investment advisor.

As part of the investment advisory fees noted in Item 5 – Fees and Compensation of the Disclosure Brochure, CapTrust includes normal securities transaction fees as part of the overall investment advisory fee. Securities regulations often refer to this combined fee structure as a “Wrap Fee Program”. The Advisor sponsors the CapTrust Wrap Fee Program.

The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees into the single “bundled” investment advisory fee. This Wrap Fee Program Brochure references back to the CapTrust Disclosure Brochure in which this Wrap Fee Program Brochure serves as an Appendix. **Please see Item 4 – Advisory Business of the Disclosure Brochure for details on CapTrust’s investment philosophy and related services.**

### B. Program Costs

Advisory services provided by CapTrust are offered in a wrap fee structure whereby normal securities transaction costs are included in the overall investment advisory fee paid to CapTrust. As the level of trading in a Client’s account[s] may vary from year to year, the annual cost to the Client may be more or less than engaging for advisory services where the transactions costs are borne separately by the Client. The cost of the Wrap Fee Program varies depending on services to be provided to each Client, however, the Client is not charged more if there is higher trading activity in the Client’s account[s]. A Wrap Fee structure has a conflict of interest as the Advisor may have an incentive to limit the number of trades placed in the Client’s account[s] or to trade in no transaction fee products. **Please see Item 5 – Fees and Compensation of the Disclosure Brochure for complete details on fees.**

### C. Fees

Wealth Planning and Investment Management fees generally range from 0.50% to 1.50% annually based on multiple factors, including, the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with CapTrust.

Investment Management fees generally range from 0.20% to 1.50% annually based on multiple factors, including, the complexity of the services to be provided, the level of assets to be managed, and the overall relationship with CapTrust. Fees are paid quarterly in advance of each calendar quarter, pursuant to the terms of the Advisory Agreement. Fees are based on the market value of assets under management at the end of the prior quarter.

The fee in the first quarter of service is prorated from the inception date of the account[s] to the end of the first quarter. Fees may be negotiable at the sole discretion of the Advisor. The Client’s fees will take into consideration the aggregate assets under management with the Advisor unless negotiated otherwise. All securities held in accounts managed by CapTrust will be independently valued by the designated Custodian. CapTrust will conduct periodic reviews of the Custodian’s valuations.

Clients may make additions to and withdrawals from their account at any time, subject to CapTrust's right to terminate an account. Additions may be in cash or securities provided that the Advisor reserves the right to liquidate any transferred securities or declines to accept particular securities into a Client's account. Clients may withdraw account assets on notice to CapTrust, subject to the usual and customary securities settlement procedures. However, the Advisor generally designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a Client's investment objectives. CapTrust may consult with its Clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (e.g., contingent deferred sales charges) and/or tax ramifications.

Fees are calculated by the Advisor or its delegate and deducted from the Client's account[s] at the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client's account[s] at the beginning of the respective quarter. The amount due is calculated by applying the agreed-upon fee structure to the assets under advisement per the Exhibit A Fee Addendum, as of the end of the prior quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the Custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting advisory fees to be deducted by CapTrust directly from their account[s] held by the Custodian as part of the advisory agreement and separate account forms provided by the Custodian.

As noted above, the Wrap Fee Program includes normal securities trading costs incurred in connection with the discretionary Investment Management services provided by CapTrust. Securities transaction fees for Client-directed trades may be charged back to the Client. Clients may incur certain fees or charges imposed by third parties in connection with investments made on behalf of the Client's account[s]. Under this Wrap Fee Program, CapTrust includes securities transactions costs as part of its overall investment advisory fee.

In addition, all fees paid to CapTrust for investment advisory services or part of the Wrap Fee Program are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. The Client may also incur other costs assessed by the Custodian or other parties for account related activity fees, such as wire transfer fees, fees for trades executed away from the Custodian and other fees. The Advisor does not control nor share in these fees. The Client should review both the fees charged by the fund[s] and the fees charged by CapTrust to fully understand the total fees to be paid. **Please see Item 5.C. – Other Fees and Expenses in the Disclosure Brochure.**

CapTrust is the sponsor and portfolio manager of this Wrap Fee Program. Clients participating in the Wrap Fee Program pay investment advisory fees to CapTrust, CapTrust pays the Custodian for the costs associated with the normal trading activity in the Client's account[s].

## **Item 5. Account Requirements and Types of Clients**

CapTrust offers services to individuals, high net-worth individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations and business entities.

As a condition for starting and maintaining an investment management relationship, CapTrust may impose

a minimum annual fee of \$3,500. This minimum fee may cause Clients with smaller portfolios to incur an effective fee rate that is higher than the Advisor's stated fee schedule. CapTrust may, in its sole discretion, elect to waive its minimum fee based upon certain criteria, including anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing Client, account retention, and pro bono activities. Additionally, certain Independent Managers may impose a minimum fee.

## **Item 6. Portfolio Manager Selection and Evaluation**

Clients' investment portfolios are generally managed directly by CapTrust. CapTrust also utilizes the discretionary investment of certain Independent Managers, as referenced above. Where CapTrust provides services outside of the Wrap Fee Program, there is no difference in how assets are managed other than those non-wrap Clients paying transaction fees separately.

CapTrust personnel serve as portfolio managers for this Wrap Fee Program. CapTrust does not serve as a portfolio manager for any third-party wrap fee programs.

### **Performance-Based Fees**

CapTrust does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a Client's assets).

### **Methods of Analysis**

Please see Item 8 – Methods of Analysis of the Disclosure Brochure for complete details on the Advisor's methods of analysis. The Advisor does not manage Client accounts differently in a Wrap Fee Program structure as compared to accounts where the Client pays for securities transaction costs.

### **Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. CapTrust will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

While the methods of analysis help the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in these methods of analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included Item 13 – Review of Accounts of the Disclosure Brochure.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account[s]. The Advisor shall rely on financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded**

**to discuss these risks with the Advisor. Please see Item 8.B. – Risk of Loss in the Disclosure Brochure for details on investment risks.**

### **Proxy Voting**

CapTrust generally does not accept the authority to vote a Client's securities (i.e., proxies) on their behalf. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Advisor at the contact information on the cover of this brochure with questions about any such issuer solicitations.

## **Item 7. Client Information Provided to Portfolio Managers**

Clients participating in the Wrap Fee Program generally grant CapTrust the authority to discuss certain non-public information with the Independent Managers engaged to manage their accounts. Depending upon the specific arrangement, the Advisor is authorized to disclose various personal information including, without limitation: names, phone numbers, addresses, social security numbers, driver's license, tax identification numbers and account numbers. CapTrust may also share certain information related to its Clients' financial positions and investment objectives in an effort to ensure that the Independent Managers' investment decisions remain aligned with its Clients' best interests. This information is communicated on an initial and ongoing basis, or as otherwise necessary to the management of its Clients' portfolios.

## **Item 8. Client Contact with Portfolio Managers**

There are no restrictions on Clients' ability to correspond with CapTrust. Clients can generally contact the Independent Managers managing their portfolios through CapTrust by providing the Advisor with written request and identification of the questions or issues to be discussed with the Independent Managers. After receiving the Client's written request, CapTrust, at its sole discretion, may contact the Independent Managers for the Client or arrange for the Independent Managers and the Client to communicate directly.

## **Item 9. Additional Information**

### **A. Disciplinary Information and Other Financial Industry Activities and Affiliations**

CapTrust has not been involved in any legal or disciplinary events that are material to a Client's evaluation of its advisory business or the integrity of its management.

#### Other Financial Activities and Affiliations

Please see Items 10 – Other Financial Industry Activities and Affiliations and 14 – Client Referrals and Other Compensation of the Disclosure Brochure

### **B. Code of Ethics, Review of Accounts, Client Referrals, and Financial Information**

CapTrust has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. CapTrust's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Advisor or any of its Supervised Persons and the trading by the same of securities ahead of Clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of CapTrust's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited



offerings). However, the Advisor's Supervised Persons are permitted to buy or sell securities that it also recommends to Clients if done in a fair and equitable manner that is consistent with the Advisor's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Advisor is engaging in or considering a transaction in any security on behalf of a Client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade with Clients; or
- a decision has been made not to engage in the transaction for the Client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective Clients may contact CapTrust to request a copy of its Code of Ethics.

## **Review of Accounts**

CapTrust monitors Client portfolios on a continuous and ongoing basis while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by the Advisor's investment adviser representatives. All investment advisory Clients are encouraged to discuss their needs, goals and objectives with CapTrust and to keep the Advisor informed of any changes thereto. The Advisor contacts ongoing investment advisory Clients at least annually to review its previous services and/or recommendations and the impact resulting from any changes in the Client's financial situation and/or investment objectives. Details of the review policies and practices are provided in Item 13 – Review of Accounts of the Disclosure Brochure.

## **Other Compensation**

### **Participation in Institutional Advisor Platform**

CapTrust receives without cost from Pershing and Trade-PMR computer software and related systems support, which allow CapTrust to better monitor Client accounts maintained at Pershing and Trade-PMR. CapTrust receives the software and related support without cost because the Advisor renders Investment Management services to Clients that maintain assets at Pershing and Trade-PMR. The software and support is not provided in connection with securities transactions of Clients (i.e., not "soft dollars"). The software and related systems support may benefit CapTrust, but not its Clients directly. In fulfilling its duties to its Clients, CapTrust endeavors at all times to put the interests of its Clients first. Clients should be aware, however, that CapTrust's receipt of economic benefits from a broker/dealer creates a conflict of interest since these benefits may influence the Advisor's choice of broker/dealer over another that does not furnish similar software, systems support or services.

Specifically, CapTrust receives the following benefits from Pershing and/or Trade-PMR:

- Receipt of duplicate Client confirmations and bundled duplicate statements;
- Access to a trading desk that exclusively services its institutional traders;
- Access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to Client accounts; and
- Access to an electronic communication network for Client order entry and account information.

Please see Item 14 – Other Compensation of the Disclosure Brochure for details on additional compensation that may be received by CapTrust or its Advisory Persons. Each Advisory Person’s Brochure Supplement provides details on any outside business activities and the associated compensation.

CapTrust does not compensate, either directly or indirectly, any persons who are not supervised persons, for Client referrals.

### **Financial Information**

CapTrust is not required to disclose any financial information due to the following:

- The Advisor does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Advisor does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to Clients; and
- The Advisor has not been the subject of a bankruptcy petition at any time during the past ten years.