

## Item 1 – Cover Page

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### Appendix 1 to Part 2A CAPTRUST Wealth Client Brochure – CAPTRUST Wrap Fee Programs Brochure

CAPTRUST Financial Advisors, also known as CapFinancial Partners, LLC (“CAPTRUST” or “Adviser”) is an investment adviser registered under the Investment Advisers Act of 1940. CAPTRUST was established in April 2003 and approved as a Registered Investment Adviser in September 2003.

Registration of an Investment Adviser does not imply any level of skill or training. This CAPTRUST Wrap Fee Programs Brochure (“Brochure”) provides information about the qualifications and business practices of CAPTRUST Financial Advisors. In compliance with recent regulatory requirements, we are obligated to provide clearly written, meaningful, current disclosure of our business practices, conflicts of interest and the background of our Financial Advisors and is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

If you have any questions about the contents of this Brochure, please contact us at 919.870.6822 or toll-free at 800.216.0645, or you may reach the Compliance Dept by email at [compliance@captrust.com](mailto:compliance@captrust.com).

The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about CAPTRUST Financial Advisors also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Summary of Material Changes

### Item 9 – Other Financial Industry Activities and Affiliations

We amended this section to disclose the following acquisition activity:

In the first quarter of 2023, The CapFinancial Group, LLC (“CFG”) acquired the assets of three different firms: Monroe Vos Consulting, Inc. (CRD #107315) with offices in Houston, TX and Birmingham, AL, Aevitas Wealth Management, Inc. (CRD #143873) in Wellesley Hills, MA, and Omega Wealth Partners, Inc. (CRD #152919) in Fort Worth, TX.

In the second quarter of 2023, CFG acquired the assets of two different firms: QA Investment Services, LLC (CRD #110575) in Minnetonka, MN, and Southern Wealth Management LLP (CRD #134714) with offices in Dallas, Midland and San Antonio, TX, and an office in New Orleans, LA. Southern Wealth Management has an affiliated limited scope broker/dealer called Southern Wealth Securities, LLC (“SWS”). At the end of a negative consent period, SWS will withdraw registration as a broker/dealer upon the Form BD-W and CapFinancial Securities, LLC assume the role of broker dealer of record to provide uninterrupted services to customers of SWS going forward.

In the third quarter of 2023, CFG acquired the assets of Column Capital Advisors, LLC (CRD #135118) in Indianapolis, IN.

In the fourth quarter of 2023, CFG acquired the assets of three different firms: Normann Financial Group in Sanford, NC, Trutina Financial, LLC (CRD #148866), in Bellevue, WA, and Engrave Wealth Partners (CRD #289344) in The Woodlands, TX.

### Additionally, under Item 9 – Material Conflicts Regarding Private Funds

CAPTRUST amended this section to include the following important disclosures:

In the fourth quarter of 2023, CAPTRUST sponsored two private investment funds for which PPB Capital Partners (“PPB”) serves as General Partner and fund administrator: One Brick Select Private Credit Fund, LP and One Brick Select Private Credit Qualified Fund I, LP (the “One Brick Funds”). CAPTRUST serves as investment advisor to the One Brick Funds which invest in T. Rowe Price OHA Select Private Credit Fund (“OCredit”). OHA Private Credit Advisors LLC (“OHA Advisor”) is the investment adviser to OCredit. OCredit pays OHA Advisor an incentive fee for serving as its investment manager. As more people invest in OCredit, OHA Advisor will earn more fees. One Brick Funds will also share in those incentive fees. This creates an incentive for CAPTRUST to recommend OCredit in order to increase the potential profits eligible to be shared with investors in the One Brick Funds which include CAPTRUST clients and employees. It is also relevant to disclose that the One Brick Funds pay nominal fees to PPB for fund administration as well as 10bps/year in advisory fees to CAPTRUST.

In this section, CAPTRUST amended the disclosure regarding the MRA Funds to disclose: Effective January 1, 2024, PPB MRIF I Mgt LLC assumed the role of GP with respect to the funds. CAPTRUST continues to act as Investment Adviser to the MRA Funds.

Finally, syntax, formatting and typographical errors have been corrected throughout.

This Summary of Material Changes reflects only material changes to this Brochure since our last *annual update* of this brochure which was dated March 31, 2023. A full copy of our Brochure may be requested by email at [compliance@captrust.com](mailto:compliance@captrust.com) or by contacting us toll-free at (800)216-0645.

Additional information about CAPTRUST Financial Advisors is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website provides information about any persons affiliated with CAPTRUST Financial Advisors who are registered, or are required to be registered, as investment adviser representatives of CAPTRUST Financial Advisors.

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## Item 4 – Services, Fees, and Compensation

### Types of Advisory Services

CAPTRUST wrap fee programs (“Wrap Fee Programs” or “Program”) are designed to assist clients, both wealthy individuals and institutions (such as corporations and other business entities, trusts, estates, and charitable organizations) (each a “Client”), to identify their investment needs and to obtain professional asset [portfolio] management for a convenient single “wrap” fee (“Wrap Fee”). Wrap Fees include both asset/portfolio management and the cost of execution (ticket charges). CAPTRUST is the “Program Sponsor” of Wrap Fee Program(s) discussed in this Brochure.

Other investment advisory services include portfolio management on a non-wrap fee basis - where investment advisory/portfolio management fees are separate from (i.e., do not include) so that the cost of each transaction (i.e., ticket charges) are born separately by the Client; Business, Financial and/or Estate Planning; Institutional and Retirement Plan Advisory and/or Consulting Services; Participant Advisory Services and other services disclosed separately. Disclosure brochures for all CAPTRUST advisory services can be found by navigating to:

<https://www.captrust.com/important-disclosures/> or you may email [compliance@captrust.com](mailto:compliance@captrust.com), or contact your CAPTRUST Financial Advisor for information regarding these services.

CAPTRUST Clients choose the brokerage platform to hold their investment account(s). CAPTRUST has prime broker and/or brokerage custody agreements with Charles Schwab & Co., Inc. (“Schwab”); Pershing Advisor Solutions, LLC through Pershing, LLC (“Pershing”); and Fidelity Investments through Fidelity Brokerage Services, LLC/National Financial, LLC (“Fidelity”); to provide execution, brokerage and custodial account services to CAPTRUST clients. Regardless of which brokerage platform or Program Clients select, Clients will retain the right to: (1) withdraw securities or cash; (2) vote on shareholder proposals of beneficially owned security issues, or delegate the authority to vote on shareholder proposals to CAPTRUST or to another person; (3) be provided in a timely manner with a written confirmation or other notification of each securities transaction, and all other documents required by law to be provided to security holders; and (4) proceed directly as a security holder against the issuer of any security in your Account.

### Portfolio Management Services and Wrap Programs

For Portfolio Management Accounts (or “PMA”), or other CAPTRUST Wrap Program accounts (Wrap Advisory Services “WAS”), CAPTRUST utilizes both a risk-based and outcomes-based approach to asset allocation broadly defining the following asset classes: US Equities, International Equities, Fixed Income, Alternative Investments, Commodities and Real Estate.

Client Investment Process: The CAPTRUST Financial Advisor (“FA”) assists the Client in determining their Investment Goals and Objectives (“IGO”) before selecting and recommending an investment style, allocation and/or a diversified portfolio of investments, including investment vehicle(s) and/or Independent Investment Manager(s) (“Investment Manager”) appropriate for the Client. This is done both initially and on an on-going basis. The Financial Advisor collects financial and personal information from the Client, assists the Client in establishing their Client’s IGO and strategies, and evaluates the suitability of products for the Client. The Financial Advisor recommends to the Client, Investments and/or Investment Manager(s). See also Item 6 for the investment/manager selection and portfolio management process.

The Client and CAPTRUST will enter into a CAPTRUST Investment Advisory Agreement (“Agreement” or “IAA”) which will describe CAPTRUST’s fee schedule and the services provided on a “wrap-fee” basis.

PMA and/or WAS Portfolio Managers are defined as: 1) The Investment Committee described in Form ADV Part 2B which is incorporated into the CAPTRUST Form ADV Part 2 for Wealth Advisory Services or 2) the Client’s CAPTRUST Financial Advisor (“FA”) who determines the investments in the Client’s account.



## CAPTRUST Wrap-Fee Program Services include:

Establishing investment strategies through the documentation of a Client's IGO as outlined by the Client and their Financial Advisor. Determining asset allocation strategies to meet the financial goals of the Client. Determining specific investment style allocations. Identifying tax optimization strategies. Researching and evaluating investment management firms, their mutual funds, exchange traded funds (ETFs), collective trusts, and other investment vehicles appropriate for the Client's Investment Portfolio. Identifying specific independent, unaffiliated money management firms appropriate for the Client's Investment Portfolio. Hiring independent money management firm(s) on behalf of the Client. Reporting and reviewing the performance of money management firms and other investment vehicles. Performing quarterly investment reviews. Periodic rebalancing and investment plan re-allocating Client's Investment Portfolio. Acting as the Portfolio (Investment) Manager for the CAPTRUST Wrap Programs. Providing investment consulting services not related to managed account services.

PMA or WAS accounts can be set up on either a discretionary basis or a non-discretionary basis. Discretionary PMAs and WASs are managed either by the CAPTRUST Investment Committee or by your CAPTRUST Financial Advisor acting as portfolio manager (referred to here as "Portfolio Manager"). When managing portfolios on a discretionary basis, your Portfolio Manager makes changes in your account, including any of the investment selections (for example, opened-end or closed-end mutual funds/ETFs, stocks, bonds, or cash) or allocations to a CAPTRUST managed investment model allocation, *without obtaining your consent prior to making those changes*.

For example, the Portfolio Manager may determine changes to the portfolio are advisable, if an investment selection no longer meets the Client's Investment Goals and Objectives, or if a mutual fund ("mutual fund" or "Fund") experiences a fundamental change in management which would mandate a replacement of that fund, or, it is otherwise in the Client's best interest to make such a change. Under those conditions, the Portfolio Manager can replace an investment selection without consulting with the Client first.

For *non-discretionary* PMAs or any other nondiscretionary Wrap-Fee account, the Portfolio Manager *must be the Client's Financial Advisor* (as opposed to the Investment Committee) since the FA must first make a recommendation before implementing changes in the Client's Investment Portfolio(s). In this case, before changing any of the investment selections, the FA would obtain the Client's consent.

Regardless of whether the account being managed under a CAPTRUST Wrap-Fee program agreement is discretionary or non-discretionary, the Client can elect to change investment selection(s) *or make reasonable modifications* to their investment portfolio at any time by sending written notice to the Financial Advisor.

CAPTRUST clients may have more than one Wrap-Fee Account such as a nondiscretionary PMA where the FA is the Portfolio Manager, and a PMA where the Investment Committee acts as Portfolio Manager and allocates to strategic asset allocated investment models.

Fees for PMA or WAS Services: The maximum annual fees for CAPTRUST's Wrap-Fee advisory services:

Assets Under Management	Maximum Fee Rate
First \$1mill	Up to 2.25%
Next \$4mil	Up to 1.75%
Above \$5mill	Up to 1.25%

## SMA (Separately Managed Account) Wrap Program

Description of Program: The minimum initial investment for participation in this CAPTRUST Program is typically \$100,000 or more and varies from one Investment Manager to the next. Each account in the SMA Program is a discretionary account where each selected SMA Manager implements changes to the Client's Investment Portfolio without obtaining the Client's prior consent to those changes.

CAPTRUST has limited investment discretion with respect to the Client's securities in the SMA Program. Rather, the SMA Manager(s) selected by the Client is granted investment discretion by the Client and exercises this authority in the day-to-day portfolio management of the Client's account(s).

In accordance with the Client's Investment Goals and Objectives and the asset classes in their Investment Portfolio, CAPTRUST recommends certain SMA Managers for each asset class and based on an SMA Manager's investment style. Under this model, CAPTRUST utilizes strategic asset allocation and investment manager recommendations based on CAPTRUST's research and forward-looking views. Applying its strategic investment models that vary according to varying risk levels, CAPTRUST recommends a SMA Manager by asset class. The Client, however, selects the particular SMA Manager(s) for its accounts.

The Client can elect to change SMA Manager(s) at any time. CAPTRUST does have the discretion to change the Client's SMA Manager(s) but, a SMA [Program] Manager will generally not be removed or replaced by CAPTRUST without the Client's knowledge. However, if the Client is not otherwise available and CAPTRUST's Investment Committee or the Client's CAPTRUST FA deems it advisable to do so, CAPTRUST will exercise the right to remove or replace a SMA Manager without the Client's prior consent. In such a case, CAPTRUST will promptly advise the Client of each such change. Examples would be where the Client's financial circumstances change or economic or market conditions change, or, if in CAPTRUST's opinion, the SMA Manager(s) selected no longer meets the Client's IGO, or no longer manages according to its stated investment style parameters, or there is a fundamental change in the management of the SMA Manager which would mandate a switch. The Client may override CAPTRUST's suggestions as to SMA Manager(s) or investment vehicles, in whole or in part.

**Investments/Strategies:** Most SMA Managers in the SMA Program utilize long-only equity and/or fixed income strategies. Some SMA Managers sell covered calls. Occasionally, we recommend an SMA Manager for the SMA Program that shorts securities, uses options, futures, and other derivatives/securities, and/or employ more sophisticated trading techniques, but only if deemed suitable for a particular Client who is determined to be a sophisticated investor.

**SMA Investment Manager Reviews:** Performance of SMA Managers is monitored on a quarterly basis by members of the CAPTRUST Investment Group ("IG"). IG monitors each recommended SMA Manager in the SMA Program for performance against its peers and the stated benchmark, and for adherence to its stated strategy. IG requests quarterly due diligence questionnaires from each SMA Manager for consideration by IG in its analyses.

Performance of SMAs is calculated from several different sources. The actual performance of an individual SMA account that is reported to a Client is calculated by CAPTRUST's performance reporting team using Advent's Black Diamond system.

**Fees for SMA Wrap-Fee Services:** The maximum annual fees for CAPTRUST's SMA Wrap-Fee advisory services:

#### SMA ACCOUNTS – Fixed Income

Assets under management	Manager & Platform Fee Minimum	Manager & Platform Fee Maximum	CAPTRUST Maximum Fee
First \$1mill	0.35%	0.65%	Up to 2.25%
Next \$4mill	0.25%	0.55%	Up to 1.75%
Over \$5mill	0.20%	0.50%	Up to 1.25%

## SMA ACCOUNTS - Equity

Assets under management	Manager & Platform Fee Minimum	Manager & Platform Fee Maximum	CAPTRUST Maximum Fee
First \$1mill	0.60%	1.00%	Up to 2.25%
Next \$4mill	0.45%	0.85%	Up to 1.75%
Over \$5mill	0.40%	0.80%	Up to 1.25%

### Negotiability of Fees:

CAPTRUST Fees and services are negotiable and may be reduced or waived under certain circumstances. For example, Adviser, in its sole discretion, may charge a lesser (or no) advisory fee based upon certain criteria (e.g. existing financial planning client relationship, anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with Client, etc.).

### Other Important Factors to Consider:

Wrap Fees paid to CAPTRUST are exclusive of and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). Additionally, Clients will pay certain fees to their custodian, such as margin interest, check fees, fees for trades executed away from custodian, odd lot differentials, mark-up/mark-downs (spreads) and other similar types of fees, as more fully described in CAPTRUST Wealth Brochure, Form ADV Part 2A [www.captrust.com/important-disclosures/](http://www.captrust.com/important-disclosures/).

Costs and fees which CAPTRUST *does not have to pay* to third parties in connection with transaction and execution expenses are retained by CAPTRUST, therefore CAPTRUST has an incentive to limit trade securities in the accounts of clients in the Program.

Schwab has eliminated commissions for online trades of equities, and ETFs. Similarly, Fidelity and Pershing have also eliminated commissions on online trades of equities and ETFs. This means that, in most cases, when we buy and sell these types of securities, we will not have to pay any commissions to the custodian of your account. We encourage you to review your custodian's pricing to compare the total costs of entering a wrap fee arrangement versus a non-wrap fee arrangement. If you choose to enter into a wrap fee arrangement, your total cost to invest could exceed the cost of paying for brokerage and advisory services separately.

If your account is with Schwab, to see what you would pay for transactions in a non-wrap account please refer to Schwab's most recent pricing schedules available at <https://www.schwab.com/legal/schwab-pricing-guide-for-advisor-services>.

If your account is with Fidelity or Pershing, and you would like to compare the pricing schedules, please send a request to [compliance@captrust.com](mailto:compliance@captrust.com).

The client should review all fees charged by funds, CAPTRUST and others to fully understand the total amount of fees paid by the client for investment and financial-related services. Clients participating in a CAPTRUST Wrap-Fee account may pay higher or lower fees than clients purchasing such services separately, depending on the cost of services if provided separately and the level of trading in a particular client's account. Please contact [compliance@captrust.com](mailto:compliance@captrust.com) with any questions you may have on this or any other information in this brochure.

## Item 5 – Account Requirements and Types of Clients

### Types of Clients

CAPTRUST provides investment advisory services to Individuals, high net worth individuals, pension and profit-sharing plans, Trust, Estates and charitable organizations, foundations, endowments, corporations, or other businesses not listed here.

### Minimums

In general, CAPTRUST maintains a minimum account size requirement for its PMA Program Clients of \$50,000 to initially establish an account. The value of this account is subject to fluctuation, and therefore there is not a minimum maintenance requirement. Adviser retains the right to waive minimum initial account sizes should Adviser feel it is necessary. CAPTRUST does not generally impose a minimum portfolio value for participation in the WAS Wrap Fee Wrap Program or a minimum fee.

SMA Wrap Accounts: The minimum initial investment for participation in this CAPTRUST Program is typically \$100,000 or more and varies from one SMA Investment Manager to the next. Please review the SMA Account Manager's Form ADV Part 2 Disclosure Brochure for a detailed disclosure of the SMA manager fees, services, and minimums, reach out to your Financial Advisor for more information on the SMA Account Manager.

## Item 6 – Portfolio Manager Selection and Evaluation

PMA and WAS Wrap Program accounts are designed primarily to simplify for clients the payment of management fees and brokerage expenses. Portfolio Managers for those accounts can be either the CAPTRUST Investment Committee ("IC") or your CAPTRUST Financial Advisor.

The IC manages several risk-based and outcomes-based model strategies using individual equities, bonds, independent third-party mutual funds, ETFs, and alternatives, such as registered closed-end funds. Mutual funds and ETFs are managed by third party Investment Managers. CAPTRUST evaluates Investment Managers' investment strategies including mutual funds, indexes, or other managed investment vehicles that may be included in one or more of CAPTRUST's model strategies to which a PMA or WAS account may be allocated. IC employs a multi-step process in screening the underlying Investment Managers to determine if they are suitable for its managed account programs. Ongoing due diligence is performed on the underlying managers, including quarterly due diligence questionnaires and analysis. The IC monitors the performance of underlying managers against appropriate benchmarks and IC uses its discretion to replace underlying managers who do not meet the IC rigorous standards.

### Methods of Analysis, Investment Strategies and Risk of Loss

CAPTRUST's investment strategies begin with an understanding of a Client's financial needs, goals, and objectives. Financial Advisors use demographic and financial information provided by the Client to assess the Client's risk profile and investment objectives in determining an appropriate strategy for the Client's assets. Investment strategies generally include long- or short-term purchases of stock portfolios, mutual funds and fixed income securities and may include margin transactions and options strategies.

CAPTRUST utilizes both a risk-based and outcomes-based approach to asset allocation. The following asset classes: US Equities, International Equities, Fixed Income, Alternative Investments, Commodities and Real Estate are allocated amongst client portfolios.

CAPTRUST Financial Advisors may recommend a combination of our risk-based and outcomes-based models managed by CAPTRUST Investment Committee.

CAPTRUST Investment Committee: Certain members of CAPTRUST's Investment Group ("IG") are also members of the "Investment Committee." CAPTRUST IG researches Investment Managers using proprietary screening and evaluation of registered investment companies (such as mutual

funds) and their portfolio managers, as well as other managed investment vehicles and Separate Account Managers (collectively referred to as “Investment Managers”). CAPTRUST employs a multi-step process in screening the Investment Managers to determine if they are suitable for its managed account programs. Each Investment Manager is evaluated on the basis of extensive information provided by that Investment Manager, including descriptions of its investment process, investment strategies employed, operational structure, and its Form ADV, Part 2 and/or its mutual fund prospectus. CAPTRUST then attempts to verify that information by comparing it to other data from publicly available data collection sources. During this process, CAPTRUST also employs proprietary technical quantitative and qualitative analyses.

CAPTRUST also evaluates certain investment strategies including mutual funds, indexes, or other managed investment vehicles which may be included in an overall asset allocation for Wealth Clients. CAPTRUST requests that Investment Managers adhere to Global Investment Performance Standards (GIPS) issued by the CFA Institute and every attempt is made to obtain performance information which is calculated on a uniform and consistent basis. In most cases, performance data approved by CAPTRUST for Client viewing will have been calculated based on a uniform and consistent standard. However, some Investment Managers may provide information which does not entirely conform to these uniform standards. In those instances, the affected performance information will be specifically identified as having not been calculated based on the uniform standard normally used. In those cases, the affected performance information will be specifically identified as having not been calculated based on the uniform standard normally used. CAPTRUST uses industry standards to measure the performance of the SMA Program Managers the firm recommends and selects; however, CAPTRUST does not use a third-party auditor to review and verify the performance of SMA Managers.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with registered investment company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind.

These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security’s particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Some funds utilized in strategies employed by CAPTRUST carry liquidity risk. In some circumstances, clients have had to wait several quarters when requesting liquidity from the manager of interval funds in PMA model portfolios.
- **Financial Risk:** Excessive borrowing to finance a business’ operations increases the risk of



profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

- **Concentration Risk:** The probability of loss due to heavy exposure to a single investment, equity, or issuer. Some funds utilized in risk-based asset allocation [CAPTRUST model] strategies carry a kind of concentration risk since Clients may own more than one fund managed by the same issuer; or Clients may be invested in several funds with similar strategies which poses a type of concentration risk. Another form of “concentration risk” occurs when one group of Clients comprise a large portion of a mutual fund’s total asset base, those investors experience an additional risk (over and above the risks associated with the investment’s strategy) due directly to the “concentration” of their assets in that fund. CAPTRUST strategies may involve some or all of the types of concentration risk described here.
- **Other risks:** Our recommended strategies include these risks (listed above) as well as other risks that are more specifically associated with managers, strategies, funds, or instruments we select or recommend. For example, some recommended managers use derivatives (such as options as a hedge) which pose special risks; others carry liquidity risk specific to underlying investments; additionally, some of our asset allocated model portfolios have a particular concentration risk since we may allocate a large portion of a portfolio to a single manager, or a fund complex. Some portfolios include alternative (or uncommon) investment strategies, or allocations to funds with limited or no prior history of operations. Each recommended manager discloses risks associated with investing in their fund(s) separately (in their respective brochures and/or prospectuses).
  - Although we acknowledge that Clients are relying on CAPTRUST to manage portfolio risk, Clients are encouraged to read prospectuses and ask questions of our financial advisors, portfolio managers or compliance team members. Please call 919. 870.6822 or send a message to [compliance@captrust.com](mailto:compliance@captrust.com).
- **Private investment funds:** Clients who are qualified to invest in private funds must acknowledge and accept the specific risk factors that are associated with investing in private funds. Private fund investments involve various risk factors, including, but not limited to, potential for complete loss of principal, illiquidity, and lack of transparency.

## Item 7 – Client Information Provided to Portfolio Managers

Under the CAPTRUST PMA and WAS programs, CAPTRUST is both the Client’s investment adviser and Portfolio Manager. Therefore, your Portfolio Manager has the same access to your information as CAPTRUST. Your information includes, among other things, income, net worth, risk tolerance, and investment objectives. Your portfolio manager uses this information to determine the appropriate asset allocation and manage your investments. When you update your information with CAPTRUST, your Portfolio Manager will have immediate access to the same updated information.

Under CAPTRUST SMA Program, CAPTRUST is the Client’s investment adviser and the SMA Manager is the Client’s Portfolio Manager. SMA Portfolio Managers do not have the same access to your personal information as CAPTRUST. Your personal information such as, income, net worth, risk tolerance, and investment objectives is not communicated to your portfolio manager but is utilized by CAPTRUST to determine the appropriate asset allocation and make recommendations regarding SMA manager selection.

## Item 8 – Client Contact with Portfolio Managers

Under the PMA Program, the Portfolio Manager is either the CAPTRUST Financial Advisor or member(s) of CAPTRUST’s Investment Committee. When the Portfolio Manager in the PMA or WAS Program(s) is a CAPTRUST Financial Advisor or the CAPTRUST Investment Committee, there are no specific restrictions on direct client communication with Portfolio Managers. Clients typically communicate with their Financial Advisor at CAPTRUST who acts as the relationship manager and/or the Client Management Consultant who acts in a supporting role to the Financial Advisor. The Client is required to inform CAPTRUST and the Financial Advisor, at least annually, of any changes to their financial condition or of any additional investment restrictions and/or modifications to existing

investment restrictions the Client wishes to impose.

Under the SMA Program, Clients generally do not have direct contact with third party Separate Account Managers. CAPTRUST will provide initial and ongoing communication with clients regarding selected Managers and will assist clients in understanding the management style and other information regarding the Managers.

In general, Clients are encouraged to direct questions about their portfolio or account(s) to their CAPTRUST Financial Advisor ("FA"), or to their CAPTRUST Client Management Consultant ("CMC"). However, Clients may direct questions to members of the Investment Committee whose names are included Form ADV Part 2B which is incorporated into the Form ADV Part 2 Wealth Brochure.

## Item 9 – Additional Information

### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client or prospective client's evaluation of CAPTRUST or the integrity of CAPTRUST's management. Neither CAPTRUST Investment Committee, nor its Management Persons have any disciplinary disclosure required. Each Financial Advisor who acts as a Portfolio Manager has a separate Form ADV Part 2B. Please refer to your Financial Advisor's Form ADV Part 2B for personal disciplinary information for that FA.

### Other Financial Industry Activities and Affiliations

CAPTRUST is affiliated by common ownership to CapFinancial Securities, LLC ("CFS"), a FINRA broker-dealer (Member SIPC). CAPTRUST does not manage any proprietary mutual funds.

CFS, as an affiliated registered broker-dealer, provides individual and institutions general securities investment services. Many Investment Adviser Representatives with Adviser are simultaneously registered as CFS Registered Representatives. A CAPTRUST Financial Advisor who focuses primarily on wealth advisory services generally spends less than 10% of their time on work done for wealth clients focused on activities consistent with the definition of broker/dealer activities. A CAPTRUST Financial Advisor whose focus is institutional clients will generally spend less than 1% of his/her time on broker/dealer activities.

A division of CAPTRUST called "Strategic Advisor Group", and a division called "Family Office Risk Advisors", along with several CAPTRUST Financial Advisors are life insurance licensed in order to act as agent of record for those Clients who own life insurance products or for retirement plans funded with group variable products. Financial Advisors at CAPTRUST may occasionally recommend fixed or variable annuities or life insurance (including Private Placement Life Insurance ("PPLI")) to their Wealth Clients when assisting them in executing their financial plan. CFS and CAPTRUST have business entity insurance licenses. Strategic Advisor Group's primary source of revenue is life insurance commissions not involving CAPTRUST qualified retirement plan clients.

As a result of certain investment related recommendations provided to its Clients, CFS may facilitate certain securities purchases and/or sales, or insurance product purchases and/or sales on behalf of CAPTRUST Clients. Such transactions may be facilitated by CFS, in its capacity as a registered broker/dealer or insurance agent/agency (business entity). Commissions charged by CFS (the broker/dealer) may be higher or lower than obtainable elsewhere. All related compensation is separate from advisory services. In general, product revenue associated with Plan Client assets is captured to reduce the plan advisory fee pursuant to the terms of the Retirement Plan Advisory Services Agreement.

By the end of 2022, our affiliate, Freedom One Retirement Services, LLC ("FORS") ceased providing plan record-keeping/administration. CAPTRUST acts as a discretionary ERISA 3(38) investment manager for Clients for whom retirement plan administrative services are now provided by an independent *unaffiliated* service provider called Milliman ("Freedom401(k) Clients"). However, CAPTRUST's FORS team continues to provide relationship management services to Freedom401k Clients.



CAPTRUST does not determine the custodian for retirement plan Clients, however, for the majority of Freedom401k Plans, Schwab Retirement acts as custodian for the Plan's assets. Freedom401(k) Clients have separate written agreements with respect to custodial arrangements and may be paying more or less for custodial services through Schwab than other providers of similar services. Freedom401(k) Clients may be paying more or less for retirement plan administrative/recordkeeping services than other Clients.

In the first quarter of 2023, The CapFinancial Group, LLC ("CFG") acquired the assets of three different firms: Monroe Vos Consulting, Inc. (CRD #107315) with offices in Houston, TX and Birmingham, AL, Aevitas Wealth Management, Inc. (CRD #143873) in Wellesley Hills, MA, and Omega Wealth Partners, Inc. (CRD #152919) in Fort Worth, TX.

In the second quarter of 2023, CFG acquired the assets of two different firms: QA Investment Services, LLC (CRD # 110575) in Minnetonka, MN, and Southern Wealth Management LLP (CRD #134714) with offices in Dallas, Midland and San Antonio, TX, and an office in New Orleans, LA. Southern Wealth Management has an affiliated limited scope broker/dealer called Southern Wealth Securities, LLC ("SWS"). At the end of a negative consent period, SWS will withdraw registration as a broker/dealer upon the Form BD-W and CapFinancial Securities, LLC assume the role of broker dealer of record to provide uninterrupted services to customers of SWS going forward.

In the third quarter of 2023, CFG acquired the assets of Column Capital Advisors, LLC (CRD # 135118) in Indianapolis, IN.

In the fourth quarter of 2023, CFG acquired the assets of three different firms: Normann Financial Group in Sanford, NC, Trutina Financial, LLC (CRD #148866), in Bellevue, WA, and Engrave Wealth Partners (CRD # 289344) in The Woodlands, TX.

## Material Conflicts Regarding Private Funds

In the fourth quarter of 2023, CAPTRUST sponsored two private investment funds for which PPB Capital Partners ("PPB") serves as General Partner and fund administrator: One Brick Select Private Credit Fund, LP and One Brick Select Private Credit Qualified Fund I, LP (the "One Brick Funds"). CAPTRUST serves as investment advisor to the One Brick Funds which invest in T. Rowe Price OHA Select Private Credit Fund ("OCredit"). OHA Private Credit Advisors LLC ("OHA Advisor") is the investment adviser to OCredit. OCredit pays OHA Advisor an incentive fee for serving as its investment manager. As more people invest in OCredit, OHA Advisor will earn more fees. One Brick Funds will also share in those incentive fees. This creates an incentive for CAPTRUST to recommend OCredit in order to increase the potential profits eligible to be shared with investors in the One Brick Funds which include CAPTRUST clients and employees. It is also relevant to disclose that the One Brick Funds pay nominal fees to PPB for fund administration as well as 10bps/year in advisory fees to CAPTRUST.

CAPTRUST is the owner of "CAPTRUST 2022 Homecourt Fund GP, LLC" (A Delaware; Single Member Limited Liability Company), for which the sole purpose was the organization of a private fund called "CAPTRUST 2022 Homecourt Fund, L.P.". CAPTRUST 2022 Homecourt Fund, L.P. ("Homecourt") was formed as an "Access Fund" into Dyal HomeCourt US Investors LP ("Dyal"), and independent third party private limited partnership. CapFinancial Partners, LLC (CAPTRUST) acts as the investment adviser to Homecourt. The Interests were offered pursuant to an exemption from the registration requirements of the Securities Act. Each investor must be a U.S. person that is a person with the requisite skill and expertise to adequately assess the risks of investing in the Access Fund (and indirectly investing in the Underlying Fund); an "accredited investor" as defined within the meaning of Rule 501(a) of Regulation D promulgated under the Securities Act; a "qualified purchaser" as defined under the Investment Company Act, and a "qualified client," as defined under the U.S. Investment Advisers Act of 1940, as amended, and the rules and regulations promulgated thereunder (the "Advisers Act"). There is no public market for the Interests, and no such market is expected to develop in the future. CAPTRUST's "Management Fee Rate" for all Limited Partners shall be for so long as such Limited Partner is an Advisory Client, 0.10% per annum (e.g. 0.025% per quarter), and if such Limited Partner is not an Advisory Client, 1.00% per annum (e.g. 0.25% per quarter).

CAPTRUST acts as subadvisor to three private funds (Excelsior Funds) where two CAPTRUST Financial Advisors act as portfolio managers to the Excelsior Funds. CAPTRUST earns 50% of the management

fees as compensation for subadvisory services (see Item 6 for more information). As part of the fourth quarter 2020 acquisition of the assets belonging to MRA Associates USA LLC, CAPTRUST acquired the interest in MRA GP, LLC ("MRA GP") and was appointed as Investment Adviser to a series of private funds, namely, MRA Investment Fund 1 LLC, MRA Opportunities Fund 1-A, MRA Opportunities Fund 1-B, MRA Credit Strategies Fund 1-A Fund LP, and MRA Credit Strategies Fund 1-B Fund LP (collectively, the "MRA Funds") for which MRA GP acted as general partner. Effective January 1, 2024, PPB MRIF I Mgt LLC assumed the role of GP with respect to the funds. CAPTRUST continues to act as Investment Adviser to the MRA Funds.

In connection with Covenant Multi-Family Offices, LLC, CAPTRUST assumed the role of subadvisor to two private funds for which SALI Fund Services acts as Investment Advisor and Fund Administrator: Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II 3(c)(1), LP and Covenant Global Equities Fund Series Interests of the SALI Multi-Series Fund II, L.P. (collectively, the "Covenant Funds"). CAPTRUST does not charge a subadvisory fee to the Covenant Funds.

CAPTRUST and RINET Company, LLC entered into a limited (administrative) services agreement whereby CAPTRUST will assist RINET in winding down four private funds RINET manages.

CAPTRUST may provide investment recommendations and advice regarding both affiliated and non-affiliated private investment funds. CAPTRUST shall provide the fund's offering materials at or prior to recommending the investment. Please refer to the fund's confidential offering memorandum for applicable disclosures regarding management of the fund, its investment objective, risk factors, tax, and related factors.

## Code of Ethics

Personal transactions in securities by directors, officers, and employees of CAPTRUST who have access to nonpublic information regarding Clients' purchase and sale of securities, are involved in making securities recommendations to Clients or who have access to such non-public recommendations ("access persons") are subject to the restrictions and procedures in CAPTRUST's Code of Ethics. All supervised persons at CAPTRUST must acknowledge the terms of the Code of Ethics annually, or as amended.

The Code of Ethics addresses, among other things, the following: (i) general principles that address CAPTRUST's fiduciary obligations to its Clients, (ii) personal securities trading procedures restricting the purchase and sale, by access persons for their own accounts, of specific securities; (iii) provisions relating to the confidentiality of Client information; (iv) a prohibition on insider trading; and (v) limits on political contributions; and (vi) restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment.

Occasionally, access persons of Advisor may recommend that Clients buy or sell the same securities or investment products that access persons of the Advisor also own. CAPTRUST's employees and persons associated with CAPTRUST are required to follow the Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CAPTRUST will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Under the Code of Ethics, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of CAPTRUST's Clients. In addition, the Code of Ethics requires pre-approval of specific types of transactions, and depending on the transaction, may restrict trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between CAPTRUST and its Clients.

CAPTRUST may, in its discretion, "bunch" orders being placed for execution at the same time for the accounts of two or more clients, which may include accounts in which CAPTRUST's affiliates and employees may have an ownership interest, where it believes such aggregation is appropriate and in the best interest of its Clients.

CAPTRUST's Clients may request a copy of the firm's Code of Ethics by contacting the Compliance Department at [compliance@captrust.com](mailto:compliance@captrust.com) or by calling (919) 870-6822 or (800) 967-9948.

## Client Referrals and Other Compensation

Clients (or prospective clients) who are being referred to CAPTRUST, either by means of a paid "endorsement" or in connection with a paid "testimonial" by a current client, must be made aware of the arrangement *at the time the testimonial or endorsement is disseminated* in a **clear and prominent manner**. The disclosure of the arrangement must explain whether the "testimonial" was given by a current client or investor; or if the "endorsement" was given by a person other than a current client or investor; explain whether cash or non-cash compensation was provided for the *testimonial or endorsement*; and if applicable, include brief statement of any material conflicts of interest on the part of the person giving the testimonial or endorsement resulting from the investment adviser's relationship with such person.

CAPTRUST, in some instances, may compensate third-party solicitors (or "Solicitor") for Client referrals. In order for a Solicitor to be compensated by CAPTRUST for referring a Client to CAPTRUST, the Solicitor must be engaged by CAPTRUST under a Solicitor or Referral Agreement ("Agreement") in compliance with Section 206(4)-1 of the Investment Advisers Act of 1940. In general, a Solicitor is compensated by a percentage of the advisory fee collected for a specified period of time (as detailed in the Referral Agreement). Clients pay no additional fee for the referral over and above CAPTRUST's quoted advisory fee; to the contrary, the fee the Advisor earns is reduced by the amount of the compensation to the Solicitor.

In cases where a referral takes place *in person*, these required disclosures will be delivered in writing *at the time the testimonial or endorsement is being made*. Clients may request details regarding a particular Agreement by contacting us toll-free at (800)216-0645 or sending an email to [compliance@captrust.com](mailto:compliance@captrust.com).

## Schwab Advisor Network®

CAPTRUST receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through CAPTRUST's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with CAPTRUST. Schwab does not supervise CAPTRUST and has no responsibility for CAPTRUST's management of clients' portfolios or CAPTRUST's other advice or services. CAPTRUST pays Schwab fees to receive client referrals through the Service. CAPTRUST's participation in the Service may raise potential conflicts of interest described below. CAPTRUST pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by CAPTRUST is a percentage of the fees the client owes to CAPTRUST or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. CAPTRUST pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to CAPTRUST quarterly and may be increased, decreased, or waived by Schwab from time to time. The Participation Fee is paid by CAPTRUST and not by the client. CAPTRUST has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs CAPTRUST charges clients with similar portfolios who were not referred through the Service. CAPTRUST generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab.

The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees CAPTRUST generally would pay in a single year. Thus, CAPTRUST will have an incentive to recommend that client accounts be held in custody at Schwab. The Participation and Non-Schwab Custody Fees will be based on assets in accounts of CAPTRUST's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, CAPTRUST will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct CAPTRUST to debit CAPTRUST's fees directly from the accounts. For accounts of CAPTRUST's clients maintained in custody at Schwab, Schwab will

not charge the client separately for custody but will receive compensation from CAPTRUST's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab.

Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, CAPTRUST may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. CAPTRUST nevertheless acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for CAPTRUST's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### Fidelity Wealth Advisor Solutions®

CAPTRUST participates in the Fidelity Wealth Advisor Solutions® Program (the "WAS Program"), through which CAPTRUST receives referrals from Fidelity Personal and Workplace Advisors LLC (FPWA), a registered investment adviser and Fidelity Investments company. CAPTRUST is independent and not affiliated with FPWA or any Fidelity Investments company. FPWA does not supervise or control CAPTRUST and FPWA has no responsibility or oversight for CAPTRUST's provision of investment management or other advisory services.

Under the WAS Program, FPWA acts as a solicitor for CAPTRUST and CAPTRUST pays referral fees to FPWA for each referral received based on CAPTRUST's assets under management attributable to each client referred by FPWA or members of each client's household. The WAS Program is designed to help investors find an independent investment advisor, and any referral from FPWA to CAPTRUST does not constitute a recommendation or endorsement by FPWA of CAPTRUST's particular investment management services or strategies. More specifically, CAPTRUST pays the following amounts to FPWA for referrals: the sum of (i) an annual percentage of 0.10% of any and all assets in client accounts where such assets are identified as "fixed income" assets by FPWA and (ii) an annual percentage of 0.25% of all other assets held in client accounts. In addition, CAPTRUST has agreed to pay FPWA a minimum annual fee amount in connection with its participation in the WAS Program. These referral fees are paid by CAPTRUST and not the client.

To receive referrals from the WAS Program, CAPTRUST must meet certain minimum participation criteria, but CAPTRUST may have been selected for participation in the WAS Program as a result of its other business relationships with FPWA and its affiliates, including Fidelity Brokerage Services, LLC ("FBS"). As a result of its participation in the WAS Program, CAPTRUST may have a potential conflict of interest with respect to its decision to use certain affiliates of FPWA, including FBS, for execution, custody and clearing for certain client accounts, and CAPTRUST may have a potential incentive to suggest the use of FBS and its affiliates to its advisory clients, whether or not those clients were referred to CAPTRUST as part of the WAS Program. Under an agreement with FPWA, CAPTRUST has agreed that Advisor will not charge clients more than the standard range of advisory fees disclosed in its Form ADV 2A Brochure to cover solicitation fees paid to FPWA as part of the WAS Program. Pursuant to these arrangements, CAPTRUST has agreed not to solicit clients to transfer their brokerage accounts from affiliates of FPWA or establish brokerage accounts at other custodians for referred clients other than when CAPTRUST's fiduciary duties would so require, and CAPTRUST has agreed to pay FPWA a one-time fee equal to 0.75% of the assets in a client account that is transferred from FPWA's affiliates to another custodian; therefore, CAPTRUST may have an incentive to suggest that referred clients and their household members maintain custody of their accounts with affiliates of FPWA. However, participation in the WAS Program does not limit CAPTRUST's duty to select brokers on the basis of best execution.