

**Firm Brochure
for
CapAcuity, LLC
Form ADV, Part 2A**

March 29, 2024

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

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

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

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Item 2 Material Changes

The following is a summary of the material changes to CapAcuity's Part 2A since its last annual update on March 28, 2023:

- **Item 4: Advisory Business:** CapAcuity is updating Item 4 to report its assets managed as of January 31, 2024.
- **Item 8: Methods of Analysis, Investment Strategies, and Risk of Loss:** CapAcuity is updating Item 8 to report Technology Risks as risks of loss.
- **Item 10: Other Financial Industry Activities and Affiliations:** CapAcuity is updating Item 10 to remove CapAcuity Consulting LLC as an affiliated financial service provider.

CapAcuity may update this Part 2A at any time and will either send you a copy or offer to send you a copy (either by electronic means or in hard copy form). At any time, you may request the most recent version of our Part 2A or Part 2B brochure by contacting us at 407-949-6889 or by emailing us at info@capacuity.com.

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Item 4 Advisory Business

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

As used in this brochure, the words “we,” “our,” and “us” refer to CapAcuity, and the words “you,” “your,” and “Client” refer to you as either a client or prospective client of our firm.

Investment Advisory

CapAcuity provides institutional-only, non-discretionary investment advisory services to non-qualified executive retirement plans, defined benefit plans, and defined contribution plans. Services are provided pursuant to the terms of the respective investment advisory agreements and the specifications defined by each client. Each agreement is customized for the specific plan sponsor’s needs.

Generally, the investment advisory activities we provide to Clients include the following:

- Participant menu construction for retirement plans
- Asset allocation is designed to hedge corporate benefit liabilities or special purpose pooled investment vehicles
- The risk tolerance of portfolios is designed to fund corporate benefit plan liabilities or special purpose pooled investment vehicles.
- Regular portfolio monitoring, including investment manager selection and ongoing evaluation
- Analysis of fund performance relative to defined benchmarks
- Fund/product—Corporate-Owned Life Insurance (COLI), mutual funds, etc.—expense analytics
- Tax efficiency analysis (whether funded with COLI, mutual funds, or ETFs)

CapAcuity limits its investment advice to the following securities:

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

CapAcuity offers the following Total Return Swap (TRS) services:

- Perform financial modeling to evaluate cash flow and P&L impact of deferred compensation plan (DCP) funding and hedging alternatives (mutual funds, COLI, TRS)
- Develop a TRS investment hedge (i.e., the hedge “basket”) designed to be highly correlated with the new plan participant investment menu offering (i.e., the plan liabilities) to minimize asset/liability “tracking error.”
- Coordinate with the swap facilitator for the implementation, administration, and reporting of the TRS.
- Monitor and report on the asset/liability correlation/ “tracking error” and re-weight the TRS hedge, as appropriate.

CapAcuity also offers consulting and asset management services related to our investment advisory services.

Consulting

We analyze non-qualified deferred compensation plans, and make recommendations to maximize funding efficiency, mitigate risk, and improve financial performance.

CapAcuity enables plan sponsors to evaluate non-qualified plan funding and hedging strategies to determine which ones meets their specific financial objectives. Using our proprietary financial models, we evaluate and compare different funding and hedging approaches to minimize risk and optimize financial performance.

We work directly with each plan sponsor and service provider to proactively implement these recommendations.

There are four main aspects to our consulting services¹:

- **Analyzing the Plan.** We conduct a thorough analysis of each plan sponsor's executive benefit plan—including plan design, peer benchmarking, investment options, pricing, regulatory compliance, funding and hedging strategies, and tax efficiency.
- **Funding Optimization.** Whatever the funding or hedging strategy, we strive to optimize its financial impact for the benefit of the plan sponsor.
- **Risk Management.** We offer comprehensive solutions to manage financial exposure due to market volatility, including effective hedging and corporate tax strategies.
- **Transparency.** We strive to ensure that plan sponsors fully understand what they are paying for.

CapAcuity and its associates do not provide legal or tax advice.

Limited Discretionary Investment Consulting Services

- Upon receipt of an ongoing authorization, limited power of attorney, or other such documents from the client, we will submit buy-and-sell instructions on our institutional client's behalf for mutual funds, Exchange Traded Funds (ETFs) insurance series funds, or at times designated company stock, directly to the client's insurance, trust or custodial platform for execution based on pre-defined instructions as outlined in our Investment Advisory and Administrative Services Agreement ("Agreement").
- We may prepare asset investment allocation instructions to complete the investment of wire transfer amounts submitted by the client.
- We may provide a summary statement of all rebalance orders as submitted to the appropriate entity (i.e., trustee, custodian, insurance carriers) based on the Client's written instructions.

Asset Management

At CapAcuity, our asset management services are designed to enhance financial outcomes for executive benefit plan sponsors. Our tax-efficient asset/liability management is designed to optimize the correlation of assets and liabilities while minimizing fund expenses, trading costs, and corporate tax. We develop a highly tailored asset management plan for each Client designed to meet their specific financial objectives.

There are four main components to our asset management services:

- a proprietary approach to daily asset/liability management designed to optimize asset/liability correlation
- minimize taxes through tax-optimized approaches to trading
- manage funding and hedging strategies to enhance financial performance
- enabling plan sponsors to continue to meet their objectives based on our ongoing monitoring, reporting, and analytics

We may, at our discretion, employ a third-party SEC-registered investment advisor to act as a sub-advisor to us to assist in the performance of any or all the services outlined in any Agreement we may have with you.

Currently, the firm does not utilize third parties as sub-advisors. If it does in the future, it will update ADV as needed.

Wrap Fee Programs

We do not participate in wrap-fee programs.

Assets Managed

As of January 31, 2024, we manage \$2,040,916,531 on a discretionary basis and \$5,073,081,819 on a non-discretionary basis, for a total of \$7,113,998,350.

Item 5 Fees and Compensation

Our compensation is exclusively fee-based, disclosed, and paid directly or indirectly by the Client. Our fee structures fall into the following three categories:

- a) fixed or asset-based fees
- b) asset-based product compensation
- c) fee-offset compensation

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

Asset-based fees are calculated as a percentage of total assets under management (or plan liabilities) which are generally paid quarterly in advance. We do not deduct fees from Client or plan accounts. When calculating total assets under management (or plan liabilities, if applicable) and determining the market value of the assets, we consider the balance as of the last business day of the month end prior to the billing period, after considering deposits and withdrawals.

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

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

Certain CapAcuity associates are also affiliated with CapAcuity Securities, Inc. (the "Broker-Dealer"), and in their affiliation with the Broker-Dealer, associates, as well as the Broker-Dealer, accept compensation for the sale of investment products, including commissions, asset-based fees, service fees, marketing fees and the reimbursement of expenses incurred in evaluating an investment. This practice may create a conflict of interest, providing an incentive to recommend investment products based on the compensation received.

In some cases, CapAcuity LLC receives fee-offset compensation. In this scenario, as a result of the Broker-Dealer's designation as broker of record on certain variable Corporate Owned Life Insurance (COLI) CapAcuity LLC receives asset-based fees from these COLI policies. These fees are paid to the Broker-Dealer. to offset costs related to the ongoing service and administration of the COLI policies.

In circumstances where there is a CapAcuity investment advisory and administrative services agreement between a client and CapAcuity, clients may direct CapAcuity Securities Inc. to allocate asset-based COLI

compensation from CapAcuity Securities Inc. to CapAcuity to cover investment advisory and administrative service fees associated with CapAcuity's role as a registered investment advisor, to mitigate any potential or actual conflicts of interest.

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

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

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

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

Item 7 Types of Clients

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

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

Methods of Analysis and Investment Strategies

CapAcuity's methods of analysis include modern portfolio theory and quantitative analysis:

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

CapAcuity's strategies are focused on long-term funding/hedging of non-qualified executive benefit plan liabilities and consider correlation to benefit liabilities. CapAcuity creates a proprietary, quantitative hedge "scorecard" to determine which fund has historically demonstrated optimal hedge efficiency to the respective fund in the plan. The scorecard incorporates a variety of statistical factors, including R2, tracking error, excess return, residual standard deviation, beta, and expense ratio.

Risk of Loss

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

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

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

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

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

Mutual Funds: Mutual fund managers may base investment decisions for funds on historical information. There is no guarantee that a strategy based on historical information will produce the desired results in the future. In addition, if market dynamics change, the effectiveness of that kind of strategy may be limited. Either of these risks may cause the investment strategy of a particular fund to underperform its benchmark or similar funds. Mutual funds in which the strategies invest have their own fees and expenses as set forth in the fund prospectuses. These fees and expenses lower investment returns. Mutual funds may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk of derivatives is that some types of derivatives can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for the fund. Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that a fund could not close out a position when it would be most advantageous to do so.

Exchange-traded funds (ETFs): ETFs in which the strategies may invest involve certain inherent risks generally associated with investments in a portfolio of underlying securities, including the risk that the general level of the underlying security prices may decline, thereby adversely affecting the value of each unit of the ETF. Moreover, an ETF may not fully replicate the performance of its benchmark index because of the temporary unavailability of certain securities in the secondary market or discrepancies between the ETF and the benchmark index with respect to the weighting of securities or the number of securities held. Investing in ETFs carries the risk of capital loss. The FDIC or any other government agency does not guarantee or insure ETFs. You can lose money investing in ETFs. ETFs in which the strategies invest have their own fees and expenses as set forth in the ETF prospectuses. These fees and expenses lower investment returns. Although ETFs are generally classified as equities, their underlying holdings can include various asset classes, including but not limited to equities, bonds, foreign currencies, physical commodities, and derivatives. A full disclosure of the

specific risks of ETFs is in each fund's respective prospectus. ETFs may have exposure to derivative instruments, such as futures contracts, forward contracts, options, and swaps. There is a risk that a derivative may not perform as expected. The main risk with derivatives is that some types can amplify a gain or loss, potentially earning or losing substantially more money than the actual cost of the derivative, or that the counterparty may fail to honor its contract terms, causing a loss for the ETF. Use of these instruments may also involve certain costs and risks such as liquidity risk, interest rate risk, market risk, credit risk, management risk, and the risk that an ETF could not close out a position when it would be most advantageous to do so.

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

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

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

Cybersecurity Risks: As the use of technology has become more prevalent, investment accounts have become more susceptible to operational and information security risks resulting from breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional cyber events that may, among other things, cause an investment account to lose proprietary information, suffer data corruption and/or destruction or lose operational capacity, result in the unauthorized release or other misuses of confidential information, or otherwise disrupt normal business operations. Cybersecurity breaches may involve unauthorized access to an investment account's digital information systems (e.g., through "hacking" or malicious software coding) but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cybersecurity breaches involving an investment account's third-party service providers (including but not limited to advisors, sub-advisors, administrators, transfer agents, custodians, distributors, and other third parties), trading counterparties, or issuers in which an investment account invests can also subject to many of the same risks associated with direct cybersecurity breaches. Moreover, cybersecurity breaches involving trading counterparties or issuers in which an investment account invests could adversely impact such counterparties or issuers and cause an investment account's investment to lose value. Cybersecurity failures or breaches may result in financial losses to an investment account. These failures or breaches may also result in disruptions to business operations, potentially resulting in financial losses, impediments to trading, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage; reimbursement or other compensation costs; additional compliance and cybersecurity risk management costs, and other adverse consequences.

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

Market Disruption. Global instability, geopolitical tensions, terrorist attacks in the United States and around the world, and the threat of a global pandemic have resulted in market volatility and may have long-term effects on the United States and worldwide financial markets and may cause further economic uncertainties in the United States and worldwide. CapAcuity cannot predict the effects of significant future events on the global

economy and securities markets. A similar disruption of the financial markets could impact interest rates, credit risk, inflation, and other factors. An epidemic outbreak and reactions to such an outbreak could cause uncertainty in markets and businesses, including CapAcuity's business, and may adversely affect the performance of the global economy, including causing market volatility, market, and business uncertainty and closures, supply chain and travel interruptions, the need for employees and vendors to work at external locations, and extensive medical absences. CapAcuity has policies and procedures to address known situations, but because a large epidemic may create significant market and business uncertainties and disruptions, not all events that could affect CapAcuity's business and/or the markets can be determined and addressed in advance.

Technology Risk. CapAcuity depends heavily on information technology, telecommunications, and other operational systems as some of its employees are located remotely. These systems may fail to operate properly or become disabled because of events or circumstances beyond CapAcuity's control. In this event, it may be possible that access to systems will be limited.

Item 9 Disciplinary Information

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

Item 10 Other Financial Industry Activities and Affiliations

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

Clients should be aware that certain broker-dealer and insurance activities pay commissions or other compensation. This practice may create a conflict of interest, providing an incentive to recommend investment products based on the compensation received. For more information on how clients may direct certain compensation received by the Broker-Dealer to CapAcuity, please see Item 5.

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

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

As required by the Investment Advisers Act of 1940, as amended (the "Advisers Act"), CapAcuity has a written Code of Ethics that governs a number of potential conflicts of interest that exist when providing advisory services, which include: the following areas: prohibited purchases and sales, insider trading, personal securities transactions, exempted transactions, prohibited activities, conflicts of interest, gifts, and entertainment, confidentiality, service on a board of directors, compliance procedures, compliance with laws and regulations, procedures and reporting, certification of compliance, reporting violations, compliance officer duties, training and education, recordkeeping, annual review, and sanctions.

The Code of Ethics is designed to enable CapAcuity to meet its fiduciary obligations to Clients, instill a culture of compliance within CapAcuity and prevent violations of securities laws. CapAcuity's Code of Ethics is

available to any client or prospective client upon request. The Code of Ethics is provided to employees at the time of hiring and annually thereafter or upon material changes being made to the Code of Ethics. Employee activity is monitored on an ongoing basis, and employees are required to certify their compliance with the Code on an annual basis.

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

Item 12 Brokerage Practices

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

Item 13 Review of Accounts

We will determine the nature and frequency of Client reporting and account reviews with each Client. Generally, full-service investment advisory accounts, where advice is provided on an ongoing basis, are reviewed at least quarterly by CapAcuity's Investment Committee (the "Committee") with attention to the Client's investment policy and overall objectives. The Committee reviews portfolio level performance and volatility compared to the benchmark, in addition to similar reviews of each manager. Additional reviews may be triggered by material market, economic or political events, or the Client's financial situation changes. For limited investment advisory accounts, where our role is limited to asset and liability management, the Committee will review the hedge efficacy on a quarterly basis. The Committee consists of Peter Cahall (Chief Executive Officer), Bryant Kirk (Chief Operating Officer), Mendel Melzer (Chief Investment Officer), and Robert Little (Director of Investment Research), and Kenneth Seybel (Sr. Investment Analyst).

Item 14 Client Referrals and Other Compensation

CapAcuity does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to CapAcuity's Clients. CapAcuity may enter written arrangements with third parties to act as solicitors for CapAcuity's investment advisory and consulting services. Solicitor relationships will be fully disclosed to each Client to the extent required by applicable law. CapAcuity will ensure each solicitor is exempt, notice filed, or adequately registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-1 (the New Marketing Rule) under the Advisers Act, where applicable.

Item 15 Custody

CapAcuity does not maintain physical custody of Client assets; all assets are held by qualified third-party custodians. However, we are deemed to have custody of your assets if you give us the authority to direct distributions of assets from your account to a third party on your behalf or if we possess similar control with respect to your assets. When we are deemed to have custody over an account, we are required to have an independent third-party accounting firm conduct a "surprise audit" of those accounts, no less than annually, to verify the assets and activity in such accounts.

Clients will receive periodic asset statements from the qualified custodian which holds and maintains your investment assets. CapAcuity urges Clients to carefully review custodial statements and compare the performance reports that CapAcuity provides to the official custodial records, noting that some variations may

be due to asset reporting dates, accounting procedures, or valuation methodologies.

Item 16 Investment Discretion

When we provide investment consulting services, you will authorize us or our affiliates to have either limited discretion or non-discretionary authority over the account, depending on the type of Agreement you enter into with us.

Generally, our limited discretionary authority will be limited to the ability to do the following without contacting you:

- Determine the specific investments to buy or sell.
- Determine asset allocations and rebalancing of accounts.
- Enter trade orders for the purchase or sale of investments to rebalance accounts per your funding strategy and direction, as may be applicable.

For accounts with non-discretionary authority, we can submit orders to buy or sell for execution only after receiving your written instructions in each instance.

In all cases, either type of discretion will be used consistent with the stated funding strategy outlined in your Agreement.

You give us discretionary or non-discretionary authority when you enter into an Agreement with us. You may limit or change this authority by giving us specific instructions in writing. These limitations and other instructions will become a part of your Agreement and permanent file.

Item 17 Voting Client Securities

CapAcuity does not have the authority, and hence does not vote Client proxies.

Item 18 Financial Information

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