

# FORM ADV 2A – DISCLOSURE BROCHURE

## CAPTRUST FINANCIAL ADVISORS

*a Registered Investment Advisor*

**Effective: March 30, 2018**

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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 contents 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 our firm name or by our CRD# 173736. The Advisor is a registered investment advisor. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

E2I believes that communication and transparency are the foundation of its relationship with Clients and will continually strive to provide its Clients with complete and accurate information at all times. E2I encourages all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Material Changes

The following material changes have been made since the last filing and distribution of this Wrap Fee Program Brochure:

The Advisor has redrafted this Disclosure Brochure to streamline disclosures and to include the Wrap Fee Program Brochure together with this document.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of E2I.

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 our firm name or our CRD# 1737367. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (616) 392-5332.

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## Item 4. Advisory Business

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”), which is organized as a limited liability company (“LLC”) under the laws of the State of Michigan. CapTrust was founded in 2004 and became a registered investment advisor in January 2015.

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

CapTrust, believes in an employee-ownership structure led by Bruce Johnson, Brian VandenBrink and Dirk Zwiep, though the Advisor is principally owned by Bruce Johnson.

CapTrust offers a variety of advisory services, which include investment consulting, investment management, philanthropic planning, and wealth planning services to individuals, high net worth individuals, trusts, estates, charitable organizations, businesses and retirement plans (each a “Client”). Prior to CapTrust rendering any of the foregoing 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”).

The Advisor serves as a fiduciary to Clients, as defined under 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 potential conflicts of interest. Our fiduciary commitment is further described in our Code of Ethics. For more information regarding our Code of Ethics, please see “Item 11 – Code of Ethics.”

As of December 31, 2017, CapTrust had \$990,792,916 of assets under management, all of which was managed on a discretionary basis.

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.

### Wealth Planning and Consulting Services

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CapTrust offers Clients a broad range of wealth planning and consulting services, which includes any or all of the following functions:

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

While each of these services is available on a stand-alone basis, certain of them will be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described in more detail below). In performing these services, CapTrust is not required to verify any information received from the Client or from the Client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. CapTrust may recommend Clients engage the Advisor for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Clients engage CapTrust or its affiliates to provide additional services for compensation. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by CapTrust under a wealth planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Advisor of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising CapTrust's recommendations and/or services.

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### **Investment and Wealth Management Services**

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CapTrust manages Client investment portfolios on a discretionary or non-discretionary basis. In addition, CapTrust provides certain Clients with wealth management services which generally include a broad range of comprehensive wealth planning and consulting services.

CapTrust primarily allocates Client assets among various mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and independent investment managers ("Independent Managers") 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. All Client assets will be managed within their designated account[s] at the Custodian, pursuant to the Client investment advisory agreement. For additional information, please see Item 15 and Item 12 below.

### **Sponsor and Manager of Wrap Program**

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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. 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.

Certain Clients may also have accounts with Independent Managers who deliver investment management services under a wrap fee structure.

### **Retirement Plan Consulting Services**

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CapTrust provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, and include any or all of the following services:

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|---------------------------------|-------------------------------|
| • Plan Design and Strategy      | • Plan Fee and Cost Analysis  |
| • Plan Review and Evaluation    | • Plan Committee Consultation |
| • Executive Planning & Benefits | • Fiduciary and Compliance    |
| • Investment Selection          | • Participant Education       |

As disclosed in the Advisory Agreement, certain of the foregoing services are provided by CapTrust as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). In accordance with ERISA Section 408(b)(2), each 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.

### **Use of Independent Managers**

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As mentioned above, CapTrust selects Independent Managers to actively manage a portion of certain Clients' assets. The specific terms and conditions under which a Client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this Disclosure Brochure, Clients will also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets. As noted above, certain Independent managers may offer their investment management services under a wrap fee structure.

CapTrust also utilizes the Private Wealth Management Program (the “Envestnet Program”) sponsored by Envestnet Asset Management, Inc. (“Envestnet”), through which CapTrust selects certain Independent Managers to actively manage a portion of its Clients’ assets. The specific terms and conditions under which a Client engages services through the Envestnet Program are set forth in separate written agreements. In addition to this Disclosure Brochure, Clients will also receive the written disclosure documents related to the management of their assets in the Envestnet Program.

CapTrust evaluates a variety of information about Independent Managers, which may include the Independent Managers’ public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Advisor seeks to assess the Independent Managers’ investment strategies, past performance and risk results in relation to its Clients’ individual portfolio allocations and risk exposure. CapTrust also takes into consideration each Independent Manager’s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

CapTrust continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Advisor monitors the performance of those accounts being managed by Independent Managers. CapTrust seeks to ensure the Independent Managers’ strategies and target allocations remain aligned with its Clients’ investment objectives and overall best interests.

## **Item 5. Fees and Compensation**

CapTrust offers services on a fee basis, which includes fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of the Advisor’s Supervised Persons, in their individual capacities, offer insurance products under a separate commission-based arrangement.

### **Wealth Planning and Consulting Fees**

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CapTrust generally charges a fixed fee for providing wealth planning and consulting services under a stand-alone engagement. These fees are negotiable, but generally range from \$1,500 to \$10,000 on a fixed fee basis, depending upon the scope and complexity of the services and the professional rendering the wealth planning and/or the consulting services. If the Client engages the Advisor for additional investment advisory services, CapTrust may offset all or a portion of its fees for those services based upon the amount paid for the wealth planning and/or consulting services.

The terms and conditions of the wealth planning and/or consulting engagement are set forth in the Advisory Agreement and CapTrust generally requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is generally due upon delivery of the financial plan or completion of the agreed upon services. The Advisor does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

## Investment Management Fees

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CapTrust offers investment management services for an annual fee based on the amount of assets under the Advisor's management. This management fee generally varies between 50 and 150 basis points, in accordance with the following fee schedule:

<b>PORTFOLIO VALUE</b>	<b><u>BASE FEE</u></b>
Up to \$250,000	1.50%
\$250,000 - \$499,999	1.35%
\$500,000 - \$999,999	1.20%
\$1,000,000 - \$2,499,999	1.00%
\$2,500,000 - \$4,999,999	0.80%
Above \$5,000,000	Negotiable

The annual fee is prorated and charged quarterly, in advance of each calendar quarter, based upon the market value of the assets being managed by CapTrust on the last day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the Client, as appropriate.

Additionally, for asset management services the Advisor provides 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 range set forth above, which may be higher or lower for a given level of assets. Certain Clients may also be charge a single fixed rate or fixed dollar amount for these services.

CapTrust may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy Client relationship, account retention and pro bono activities.

## Additional Fees and Expenses

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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, fees charged by Envestnet, 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.

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**Direct Fee Debit**

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Clients generally provide CapTrust and/or certain Independent Managers, including Envestnet, with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for Client accounts, from which the Advisor retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to CapTrust.

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**Account Additions and Withdrawals**

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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.

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

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).

## **Item 7. 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 and pension and profit sharing plans. The amount of 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.

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**Minimum Account Fee**

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As a condition for starting and maintaining an investment management relationship, CapTrust generally imposes 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.

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

### **Methods of Analysis**

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CapTrust utilizes a combination of fundamental and technical methods of analysis.

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.

### **Investment Strategies**

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CapTrust has a long history in the Investment Consulting approach to advising Clients and implementing portfolio management. We are committed to spending significant time with each new Client to reach common understanding of goals and plans, ensuring that investment strategies deployed are fitting to each individual Client. Furthermore, we take great care in understanding the impact behavioral finance has in regard to the making of investment decisions, seeking to emphasize sound, long-term investment discipline.

With regard to institutional Clients, we assist our Clients in the development and review of an Investment Policy Statement which exists to guide the deployment, management, and monitoring of organizational resources. Investment Policy Statements highlight unique portfolio guidelines including but not limited to liquidity need, time horizon, allocation guidelines, permitted investments, methods of performance analysis and more.

All Client portfolios vary based on a broad risk spectrum from long-term growth portfolios generally comprised of all equity-based assets to conservative income strategies holding the majority of assets in fixed-income instruments. Another plane of thinking that guides the ongoing management of Client portfolios is an understanding of Client prioritization of goals. In general, more opportunistic oriented Clients will find their portfolios more highly concentrated with regard to asset classes and money managers while more conservative Clients will typically maintain a broader allocation of asset classes, and even raise a portion of their portfolio to cash in defensive market environments.

Regarding portfolio holdings, we invest in a combination of everything from institutional share classes of

mutual funds to exchange traded funds, index funds, separately managed accounts, privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, etc.), and individual equity and fixed income positions.

## **Risk of Loss**

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### *Market Risks*

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.

### *Mutual Funds and ETFs*

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (*e.g.*, sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and potentially more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

### *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.

## **Item 9. Disciplinary Information**

CapTrust has not been involved in any legal or disciplinary events.

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

### **Licensed Insurance Agents**

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A number of the Advisor's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that CapTrust recommends the purchase of insurance products where its Supervised Persons may be entitled to insurance commissions or other additional compensation. The Advisor has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

## **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**

### **Recommendation of Broker/Dealers for Client Transactions**

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CapTrust generally does not have the authority to select the broker/dealer/custodian for custody and securities execution. The Client shall engage the Custodian and authorize the Advisor to trade within its account[s] at the Custodian. However, in certain instances, the Advisor may be provided with additional authority to trade-away from the Custodian, where appropriate. In such instances, the Client will complete a prime brokerage authorization with the Custodian that provides the Advisor with the additional authority to place trades away from the Custodian and deliver back to the Custodian for custody and safekeeping of the Client’

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. Factors which CapTrust considers in recommending Pershing and Trade-PMR or any other broker-dealer to Clients include their respective financial strength, reputation, execution, pricing, research and service. Pershing and Trade-PMR enable the Advisor to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by Pershing and Trade-PMR to CapTrust may be higher or lower than those charged by other Financial Institutions.

The commissions paid by CapTrust’s Clients to Pershing and Trade-PMR comply with the Advisor’s duty to obtain “best execution.” Clients may pay commissions that are higher than another qualified Financial Institution might charge to implement the same transaction where CapTrust determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a Financial Institution’s services, including among others, the value of research provided, execution capability, commission rates and responsiveness. CapTrust seeks competitive rates but may not necessarily obtain the lowest possible commission rates for Client transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker/dealers in return for investment research products and/or services which assist CapTrust in its investment decision-making process. Such research generally will be used to service all of the Advisor’s Clients, but brokerage commissions paid by one Client may be used to pay for research that is not used in managing that Client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because CapTrust does not have to produce or pay for the products or services.

As noted above the Clients' assets will be maintained by an unaffiliated, "qualified custodian", which may include the Custodians listed above as well as mutual fund companies and their transfer agencies. CapTrust periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Software and Support Provided by Financial Institutions**

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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:

- Credits to be used toward qualifying third-party service providers used in connection with the initial set up of the Advisor's research, technology and software platforms;
- 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.

### **Brokerage for Client Referrals**

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CapTrust does not consider, in selecting or recommending broker/dealers, whether the Advisor receives Client referrals from the Financial Institutions or other third-party.

### **Directed Brokerage**

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The Client may direct CapTrust in writing to use a particular Financial Institution to execute some or all transactions for the Client. In that case, the Client will negotiate terms and arrangements for the account with that Financial Institution and the Advisor will not seek better execution services or prices from other Financial Institutions or be able to "batch" Client transactions for execution through other Financial Institutions with orders for other accounts managed by CapTrust (as described above). As a result, the Client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, CapTrust may decline a Client's request to direct brokerage if, in the Advisor's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

## **Trade Aggregation**

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Transactions for each Client generally will be effected 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**

### **Account Reviews**

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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 quarterly to discuss the impact resulting from any changes in the Client’s financial situation and/or investment objectives.



## **Account Statements and Reports**

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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 their 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**

### **Client Referrals**

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In the event a Client is introduced to CapTrust by either an unaffiliated or an affiliated solicitor (a “Solicitor”), the Advisor will pay the Solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from CapTrust’s investment management fee and does not result in any additional charge to the Client. If the Client is introduced to the Advisor by an unaffiliated Solicitor, the Solicitor is required to provide the Client with CapTrust’s written Disclosure Brochure and a copy of a Solicitor Disclosure Statement containing the terms and conditions of the solicitation arrangement. Any affiliated Solicitor of CapTrust is required to disclose the nature of his or her relationship to prospective Client at the time of the solicitation and will provide all prospective Clients with a copy of the Advisor’s written Disclosure Brochure at the time of the solicitation.

## **Item 15. Custody**

The Advisory Agreement and/or the separate agreement with any Financial Institution generally authorize CapTrust and/or the Independent Managers, including Envestnet, to debit Client accounts for payment of the Advisor’s fees and to directly remit that those funds to the Advisor in accordance with applicable custody rules. The Financial Institutions that act as the qualified custodian for Client accounts, from which the Advisor retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to CapTrust.

In addition, as discussed in Item 13, CapTrust may also send periodic supplemental reports to Clients from time to time. Clients should carefully review the statements sent directly by the Financial Institutions and compare them to those received from CapTrust.

## **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 effect and/or direct transactions in Client accounts without first seeking their consent. CapTrust is given this authority through a 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**

### **Declination of Proxy Voting Authority**

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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: March 30, 2018**

85 East 8th Street, Suite 160  
Holland, Michigan 49423

(616) 392-5332  
[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 our firm name or by our CRD# 173736. The Advisor is a registered investment advisor. Registration does not imply any level of skill or training.

## Item 2. Material Changes

The 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 wrap fee structure of CapTrust to accompany the disclosures included in the Form ADV 2A – Disclosure Brochure.

### Material Changes

The following material changes have been made since the last filing and distribution of this Wrap Fee Program Brochure:

- The Advisor has redrafted this Wrap Fee Program Brochure to streamline disclosures and include the brochure as part of the Form ADV2A ("Disclosure Brochure") to create a single, combined disclosure document.

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 our firm name or our CRD# 173736. You may also request a copy of this Wrap Fee Program Brochure at any time, by contacting us at (616) 392-5332.

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## Item 4. Advisory Business

Well Done, LLC dba CapTrust Financial Advisors (“CapTrust” or the “Advisor”) provides customized investment advisory services for its Clients. The CapTrust Wrap Fee Program (the “Wrap Fee Program”) is provided as a supplement to the CapTrust Form ADV 2A (“Disclosure Brochure”).

**The CapTrust Wrap Fee Program Brochure is provided solely as a disclosure when CapTrust includes securities transaction fees as part of its overall investment advisory fee (as detailed in Item 5 of the Disclosure Brochure) and shall always be provided in connection with the Disclosure Brochure.**

Clients may be offered a fee structure that includes, as a single fee, the securities transaction costs for trading in Client accounts along with the investment advisory fees earned by CapTrust. The securities regulations often refer to such a structure as a “Wrap Fee Program”. While traditional Wrap Fee Programs are often rigid, pre-packaged investment programs, CapTrust customizes its investment strategies individually for its Clients. The sole purpose of this Wrap Fee Program Brochure is to provide additional disclosure relating the combination of securities transaction fees with investment advisory fees. This Wrap Fee Program Brochure will reference back to the CapTrust Disclosure Brochure in which this Wrap Fee Program Brochure is an Appendix.

CapTrust offers investment advisory services to high net worth individuals, families, trusts, estates, businesses, institutional investors, and pooled investment vehicles (each referred to as a “Client”). CapTrust provides a variety of advisory services, which include investment consulting, investment management, philanthropic planning, and wealth planning services. Prior to CapTrust rendering any of the foregoing advisory services, Clients are 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”).

CapTrust manages Client investment portfolios on a discretionary or non-discretionary basis. In addition, CapTrust may provide Clients with wealth management services which generally include a broad range of comprehensive wealth planning and consulting services. Investment management services may include the use of Independent Managers, which may also include the securities transaction costs either as a portion of the Advisor’s fee or an Independent Manager’s fee. Certain retirement plan accounts are also managed on a discretionary basis and provide a Wrap Fee structure.

**Please refer to Item 4 of the Disclosure Brochure for details regarding CapTrust’s investment management and related services.**

### **Fees for Participation in the Wrap Fee Program**

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Advisory Services provided by CapTrust pursuant to a wrap fee structure may cost the Client more or less than purchasing these types of investment management services separately. When CapTrust absorbs normal securities transactions fees, CapTrust may have a financial incentive to limit the transactions in Client accounts, as each trade will increase costs to CapTrust. The costs of the Wrap Fee Program vary depending on services to be provided to each Client.

The investment management services provided through the Wrap Fee Program are offered on a fee basis, meaning participants pay a single annualized fee based upon assets under management (“Wrap Fee Program Fee”).

This Wrap Fee Program Fee generally varies between 0.50% and 1.50%, in accordance with the following fee schedule:

<b>PORTFOLIO VALUE</b>	<b><u>BASE FEE</u></b>
Up to \$250,000	1.50%
\$250,000 - \$499,999	1.35%
\$500,000 - \$999,999	1.20%
\$1,000,000 - \$2,499,999	1.00%
\$2,500,000 - \$4,999,999	0.80%
Above \$5,000,000	Negotiable

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by CapTrust on the last day of the previous billing period.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the Client, as appropriate.

Additionally, for asset management services the Advisor provides 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 range set forth above. The transaction fees incurred for these types of holdings are not typically included in the Wrap Fee Program fee.

### **Fee Comparison**

As referenced above, a portion of the fees paid to CapTrust are used to cover the securities brokerage commissions and transactional costs attributed to the management of its Clients’ portfolios.

Services provided through the Wrap Fee Program may cost Clients more or less than purchasing these services separately. The number of transactions made in Clients’ accounts, as well as the commissions charged for each transaction, determines the relative cost of the Wrap Fee Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. Fees paid for the Wrap Fee Program may also be higher or lower than fees charged by other sponsors of comparable investment advisory programs. Because the Advisor pays for the securities transaction fees, the Advisor may have an incentive to engage in fewer transactions and choose Independent Managers whose fees fall outside of the Wrap Fee Program Fee.

## **Fee Discretion**

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CapTrust, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy Client relationship, account retention and pro bono activities.

## **Other Charges**

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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. These additional charges include fees attributable to alternative assets and foreign securities, reporting charges, margin costs, mark-ups or mark-downs priced in to fixed income products by the broker-dealer (which the Advisor has no ability to control or pay), charges imposed directly by a mutual fund or ETF in a Client's account, as disclosed in the fund's prospectus (e.g., fund Wrap Fee Program Fees and other fund expenses), fees and commission for assets not held with Pershing and Trade-PMR (such as 401(k) or 529 plan assets), assets held at Pershing and Trade-PMR that are not managed by the Advisor (for which the Advisor does not charge an advisory fee), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees.

In addition, fees charged by the Independent Managers, including Envestnet, are generally not included in the Advisor's fee where the Client signs a separate engagement with the Independent Manager. Any additional fees that the Client will pay in a specific Independent Manager relationship (including transaction fees) will be disclosed in the agreement that the Client signs with that Independent Manager. If the Client pays additional fees that would have otherwise been an expense of the Advisor, the Advisor has a conflict of interest to choose such Independent Managers. In the case where fees are paid to the Advisor and Independent Managers, those fees are taken into consideration along with all other services provided by the Advisor to ensure that the Client is charged a fair fee.

In addition, the Advisor has relationships where the Advisor engages the Independent Manager directly on behalf of the Client. In that circumstance, the Independent Managers' fee are included, but the fee charged by the Advisor will be higher than the schedule provided above.

## **Direct Fee Debit**

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Clients generally provide CapTrust and/or certain Independent Managers, including Envestnet, with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for Client accounts, from which the Advisor retains the authority to directly deduct fees, have agreed to send statements to Clients not less than quarterly detailing all account transactions, including any amounts paid to CapTrust.

## **Account Additions and Withdrawals**

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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 decline 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, CapTrust 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, fees assessed at the mutual fund level (e.g., contingent deferred sales charge) and/or tax ramifications.

## **Compensation for Recommending the Wrap Fee Program**

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CapTrust has no internal arrangements in place whereby persons recommending the Wrap Fee Program are entitled to receive additional compensation as a result of Clients' participation. A person recommending the Wrap Fee Program will not earn more compensation than he or she would otherwise receive if a Client elected another investment management program.

**Please see Item 5. of the Disclosure Brochure for additional details on the Advisor's fees.**

## **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.

## **Minimum Account Fee**

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As a condition for starting and maintaining an investment management relationship, CapTrust generally imposes 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.

## **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.



### **Side-By-Side Management**

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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**

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Please see item 8 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 structure as compared to accounts where the Client pays for securities transaction costs.

### **Risk of Loss**

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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 appropriate strategies based on their goals, objective and other factors noted above. However, there is no guarantee that a Client will meet their investment goals. Please see Item 8.B of the Disclosure Brochure.

### **Voting of Client Securities**

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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**

In this Item, CapTrust is required to describe the type and frequency of the information it communicates to the Independent Managers, if any, managing its Clients' investment portfolios. 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**

In this Item, CapTrust is required to describe any restrictions on Clients' ability to contact and consult with the portfolio managers managing their investment portfolios. 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**

### **Disciplinary Information**

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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 Industry Activities and Affiliations**

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This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### *Licensed Insurance Agents*

A number of the Advisor's Supervised Persons are licensed insurance agents and offer certain insurance products on a fully-disclosed commissionable basis. A conflict of interest exists to the extent that CapTrust recommends the purchase of insurance products where its Supervised Persons are entitled to insurance commissions or other additional compensation. The Advisor has procedures in place whereby it seeks to ensure that all recommendations are made in its Clients' best interest regardless of any such affiliations.

### **Code of Ethics**

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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.

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#### **Account Reviews**

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 discuss the impact resulting from any changes in the Client's financial situation and/or investment objectives.

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#### **Account Statements and General Reports**

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 their Pershing and Trade-PMR with any documents or reports they receive from CapTrust or an outside service provider.

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#### **Client Referrals**

In the event a Client is introduced to CapTrust by either an unaffiliated or an affiliated solicitor, the Advisor will pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from CapTrust's investment management fee and does not result in any additional charge to the Client. If the Client is introduced to the Advisor by an unaffiliated

solicitor, the solicitor is required to provide the Client with CapTrust's written brochure(s) and a copy of a solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of CapTrust is required to disclose the nature of his or her relationship to prospective Clients at the time of the solicitation and will provide all prospective Clients with a copy of the Advisor's written brochure(s) at the time of the solicitation.

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**Receipt of Economic Benefit and Brokerage Practices**

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CapTrust requires that Clients utilize the custody, brokerage and clearing services of Pershing or Trade-PMR for investment management accounts in the Wrap Fee Program. **Please see Items 12 and 14 of the Disclosure Brochure for complete disclosures on brokerage practices and the recommended service providers.**

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**Financial Information**

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Neither CapTrust, nor its management, has any adverse financial situations that would reasonably impair the ability of CapTrust to meet all obligations to its Clients. CapTrust is not required to deliver a balance sheet along with this Disclosure Brochure, as CapTrust does not collect fees of \$1,200 or more for services to be performed six months or more in advance.