

CAPTRUST Financial Advisors

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This Brochure provides information about the qualifications and business practices of CAPTRUST Financial Advisors. In compliance with recent regulatory requirements, we are obligated to provide clearly written, meaningful, current disclosure of our business practices, conflicts of interest and the background of our Financial Advisors.

If you have any questions about the contents of this Brochure, please contact us at (919) 870-6822 or toll-free at (800)216-0645, or you may reach the Compliance Department by email at compliance@captrustadvisors.com.

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

CAPTRUST Financial Advisors is an investment adviser registered under the Investment Advisers Act of 1940. Registration of an investment adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an adviser.

Additional information about CAPTRUST Financial Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

[\(Please see page 11 for our Privacy Policy\)](#)

Item 2 – Summary of Material Changes - 2017

Under Item 4, we have updated the total amount of discretionary and nondiscretionary client assets under advisement. As of December 31, 2016, CAPTRUST's Form ADV discloses a total of \$213,461,195,139 in assets under advisement. This includes \$200,078,512,148 nondiscretionary institutional assets under advisement, primarily comprised of ERISA qualified retirement plans where CAPTRUST acts as a 3(21) fiduciary, and \$9,651,962,117 in *discretionary* institutional assets under advisement, comprised of qualified retirement plan assets where CAPTRUST acts as an ERISA 3(38) investment manager), and other institutional client assets such as nonqualified plans, as well as \$3,730,720,874 in Wealth Client assets under management.

Under Item 10, we deleted the following phrase: "CAPTRUST is registered as a Commodity Trading Advisor with the National Futures Association because occasionally CAPTRUST renders investment advice with respect to commodities and/or futures as part of an asset allocation", because we determined that NFA registration was not required so we withdrew registration.

Additionally, Item 10 was amended to include the following announcement: "In the first quarter of 2017, The CapFinancial Group, Inc. (CAPTRUST's parent company) acquired the substantial assets of The Johnston Group, Inc. ("TJG" CRD#122889) and also Windsor Financial Group, LLC ("Windsor" CRD#107462), both federally registered investment advisers. TJG and Windsor Clients are being asked to assign their advisory agreements to CAPTRUST."

For purposes of clarity, the section entitled "Block Trades" was moved from beneath the "Code of Ethics" Item 11 and appropriately included as a separate section under Item 12 "Brokerage Practices", however the language remained the same.

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

This Summary of Material Changes reflects only material changes to this Brochure since our last amendment dated November 1, 2016.

Our Brochure may be requested by email at compliance@captrustadvisors.com or by contacting us toll-free at (800)216-0645.

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

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Item 4 – Advisory Business

CAPTRUST Financial Advisors, also known as CapFinancial Partners, LLC, (“CAPTRUST” or “Adviser”) was established in April 2003 and approved as a Registered Investment Adviser in September 2003. The CapFinancial Group, LLC (a North Carolina limited liability company) is a 100% owner of CAPTRUST. CapFinancial Holdings, Inc. (a North Carolina corporation) is the majority owner of The CapFinancial Group, LLC and Mr. James Fielding Miller, the CEO of CAPTRUST, owns slightly more than 40% of CapFinancial Holdings, Inc. The CapFinancial Group, LLC and CapFinancial Holdings, Inc. are owned and operated by CAPTRUST employees and based in Raleigh, North Carolina.

CAPTRUST is an investment adviser registered under the Investment Advisers Act of 1940.

CAPTRUST provides advisory services to Retirement Plans including, 401K Plans, 403B Plans, pensions and profit sharing plans, non-qualified plans, foundations, endowments, corporations or other businesses not listed above, collectively (“Client,” “Plan Client,” or “Plan”). Approximately 70% of CAPTRUST advisory fee revenue is derived from the continuous and regular investment supervisory services rendered to Plan Clients, however, this is done either on a non-discretionary or a discretionary basis. CAPTRUST willingly accepts the designation as a “Co-Fiduciary” under ERISA 3(21)(A) or “Investment Manager” ERISA 3(38) status as part of its normal course of business.

As of December 31, 2016, CAPTRUST’s Form ADV discloses a total of \$213,461,195,139 in assets under advisement. This includes \$200,078,512,148 nondiscretionary institutional assets under advisement, primarily comprised of ERISA qualified retirement plans where CAPTRUST acts as a 3(21) fiduciary, and \$9,651,962,117 in *discretionary* institutional assets under advisement, comprised of qualified retirement plan assets where CAPTRUST acts as an ERISA 3(38) investment manager, and other institutional client assets such as nonqualified plans, as well as \$3,730,720,874 in Wealth Client assets under management.

CAPTRUST also provides Wealth Management Services which are disclosed in separate Disclosure Brochures (Forms ADV Part 2 and appendices) which represent approximately 2% of the assets under advisement but 31% of advisory fee revenue.

CAPTRUST will require each Plan Client to make a selection of services *in writing* as part of the **Retirement Plan Advisory Services Agreement(s) (RPASA)**, which sets forth the rights and obligations of CAPTRUST and the Client. The **RPASA** is customized to state the negotiated fee.

CAPTRUST provides investment advisory services on either a “non-discretionary” basis (serving as a “fiduciary” as defined by §3(21)(A)(ii) of the Employee Retirement Income Security Act of 1974 (“ERISA”)); or on a “discretionary” basis and thus will serve as an “investment manager” as defined by §3(38) of ERISA. In either case, CAPTRUST provides specific investment advice to Client with regard to the selection of investment manager(s) and/or investment vehicles available to the Plan within the platform provided by the Plan’s Administrator.

Retirement Plan Advisory Services include, but are not limited to:

1. ERISA 3(21) INVESTMENT ADVISORY FIDUCIARY SERVICES (Non-Discretionary)

- ☐ Development of Investment Policy Statement:
- ☐ Recommendations for Selecting & Monitoring the Plan's Investments
- ☐ Investment Performance Measurement & Analysis
- ☐ Recommendations For Selecting & Monitoring Qualified Default Investment Alternatives
- ☐ Recommendations for Allocating & Rebalancing Model Asset Allocation Portfolios
- ☐ Individualized Investment Advice to Plan Participants
- ☐ Managed Account Portfolios ("MAPS")

2. ERISA 3(38) INVESTMENT MANAGER FIDUCIARY SERVICES (Discretionary)

- ☐ Development of Investment Policy Statement:
- ☐ Selecting & Monitoring the Plan's Investments
- ☐ Investment Performance Measurement & Analysis
- ☐ Selecting & Monitoring Qualified Default Investment Alternatives
- ☐ Allocating & Rebalancing Model Asset Allocation Portfolios

3. ERISA NON-FIDUCIARY SERVICES

- ☐ Assistance with Fiduciary Oversight & Committee Education
- ☐ Assistance with Plan Fiduciaries' Selection & Management of Service Providers
- ☐ Employee Investment Education & Communication

Consultations. Adviser may furnish investment advice on a consulting basis with a Plan Sponsor or Board. To the extent it is requested to do so, Adviser may provide its Clients with investment advisory and consultation services on a "fee for service" basis. Fees for such consultations will be quoted to the Client prior to engagement.

Adviser may offer advice on private placements and/or limited partnerships that may be considered "alternative investments" for example limited partnerships that are known as a "fund of funds" (typically a fund of "hedge" funds). Adviser may also offer advice on private equity funds that contain investments in equities, futures, options, and other securities. Any such recommendation will be made

only when determined to be suitable and must be accompanied by or preceded by prospectus or offering memorandum. *In general, this type of advice is rendered to Wealth Clients or Nonqualified Plan or other institutional clients, not including 401(k) or 403(b) plans).*

In performing its services, CAPTRUST shall not be required to verify or audit the information received from the Plan Client or from the Plan Client's other professionals, and is expressly authorized to rely thereon. If requested by the Client, CAPTRUST shall recommend the services of other professionals for implementation purposes. The Client is under no obligation to engage the services of any such recommended professional.

Item 5 – Fees and Compensation

CAPTRUST will require each Plan Client to make a selection of services *in writing* as part of the **Retirement Plan Advisory Services Agreement(s) (RPASA)**, which sets forth the rights and obligations of CAPTRUST and the Client. Fees for Retirement Plan Advisory Services are negotiated prior to the signing of the **RPASA**. The **RPASA** is then customized to state the negotiated fee, which, *in general, is expressed as a percentage of total Plan assets* (under advisement). As summarized above, a client may engage CAPTRUST on a discretionary or non-discretionary basis.

In general, fees charged for investment advisory services are payable quarterly, in advance, and are based upon the market value of the Client's Plan assets on the last business day of the calendar quarter. Advisory fees are accounted for on a quarterly invoice for our Plan Clients in detail. Fees may be direct billed to the Client or to a third party administrator ("TPA") or custodian at the Client's instruction. Fees for Plan Clients engaging CAPTRUST in mid-quarter will be prorated and calculated on a per diem basis.

The **RPASA** will continue in effect until terminated by either party upon thirty (30) days written notice to the other party. However, if the Client has not received the CAPTRUST Form ADV Part 2 at least 48 hours prior to entering into the **RPASA**, the Client may terminate the agreement within five business days of entering into the agreement without penalty.

If any advisory relationship terminates before the last day of a quarter, fees are prorated accordingly, and the Adviser will refund any unearned fees due to the Client.

Flat/Fixed Fee Service. To the extent so engaged by Client, the Adviser may charge a Flat or Fixed fee for investment advisory and consultation services. Flat/Fixed Fees are negotiable, but *generally* range from **\$10,000.00 to \$250,000.00** on an annual basis, depending upon the level and scope of the services required. Fixed fee(s) will be charged quarterly in advance, (calculated on a per diem basis) upon the signing of an **RPASA** by the Client. Fees for Clients engaging Adviser mid-quarter will be prorated on a per diem basis. Occasionally advisory services will be quoted on an hourly or per diem basis.

Broker of Record. Since inception, CAPTRUST has consistently and affirmatively acknowledged CAPTRUST's role as a co-fiduciary (both publicly and by written contract with our clients). CAPTRUST has a relatively small number of Plan Clients who have *chosen* to name their Financial Advisor (an Investment Adviser Representative of CAPTRUST) as "broker of record" in his/her capacity as registered representative of CAPTRUST's affiliated broker/dealer CapFinancial Securities, LLC ("CFS") for the purpose of capturing product revenue in order to reduce (or offset) contractually agreed upon and level investment advisory fees for the Plan Client. Those Plan Clients consider this a "value-added" service because it provides the Plan Sponsor flexibility in utilizing product fees to pay for plan expenses in the absence of a recordkeeper or other vendor-provided ERISA Budget Account. CAPTRUST tracks all 12b-1

or product revenue (by Plan Client) that is actually received by CFS and offsets (reduces) advisory fees on a quarterly basis in accordance with the RPASA.

CAPTRUST has decided to no longer permit such arrangements, and fully intends to work with existing Plan Clients to redress any existing contractual arrangement in order to ensure there is no conflict which would prevent CAPTRUST from acting as a "level fee fiduciary" as defined by the Department of Labor.

In cases where Plan Clients have elected to *appoint* a CAPTRUST Financial Advisor as "broker of record", CFS (CAPTRUST's affiliated Broker/Dealer) may be compensated by general promotion, advertising, and distribution fees (12b-1 fees) in relation to Client purchases and sales of mutual fund shares. However, in accordance with the RPASA, these 12b-1 fees will be taken into account when calculating the Plan Client advisory fee for service for a particular period and the typical fee reduced (or offset) by the 12b-1 fees received by CFS. Advisory fees (and offsets) are accounted for on a quarterly invoice for our Plan Clients in detail.

Fees charged may be higher than otherwise available elsewhere. A portion of the fees charged by CAPTRUST for advisory services may be paid to Investment Advisory Representatives employed by CAPTRUST. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, plan size and overall range of services requested.

CAPTRUST's fees are exclusive of other related costs and expenses which shall be incurred by the Plan Client. For example, Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, record-keeping/custodial fees, sales charges, redemption fees, wire transfer and electronic fund fees, and other fees and/or taxes. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to CAPTRUST's fee, and CAPTRUST shall not receive any portion of these other fees or costs.

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

CAPTRUST does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a Client).

Item 7 – Types of Clients

CAPTRUST provides advisory services to Retirement Plans including, 401K Plans, 403B Plans, pensions and profit sharing plans, non-qualified plans or other retirement plans types not listed above ("Plan Clients"). CAPTRUST also advises foundations, endowments, corporations or other businesses not listed above ("Other Clients"). CAPTRUST also provides investment advisory services to wealthy individuals ("Wealth Clients"), on a continuous and regular basis, but those services are disclosed separately, in CAPTRUST's Wealth Advisory Services Disclosure Brochure(s) and Appendices.

For Plan Clients, Adviser does not require a minimum account size, but may impose a minimum annual consulting fee. Adviser retains the right to waive any minimums.

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

Investment recommendations are based on an analysis of the Plan Client's specific needs, and are drawn from research and analysis. Each Plan is analyzed separately paying particular attention to the limitations on the investment lineup as determined by the Plan documents, the Plan's current service

providers/platform and whether the Plan's current platform has an opened or closed architecture. However, in general, security analysis methods include fundamental analysis as well as quantitative and qualitative research on a given investment vehicle. Information for this analysis may be drawn from financial newspapers, magazines and databases, research materials prepared by others, annual reports, corporate filings and prospectuses. Additional sources of information utilized by CAPTRUST include meetings and discussions with Investment Managers employed by Investment Companies, statistical summaries and analysis and such other sources CAPTRUST's professionals personnel deem appropriate. CAPTRUST may utilize services of sub-advisers and established third party research services to assist CAPTRUST with formulating asset allocation, industry and sector selection, and investment recommendations in managing the Plan Client's funds. Technical Analysis may be used when analyzing indices and/or securities other than open-ended mutual funds.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. In general, risks associated with investing include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. Some investments utilized in recommended strategies carry liquidity risk.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- Concentration Risk: The probability of loss due to heavy exposure to a single investment, equity or issuer. Some investments utilized in recommended strategies carry a kind of concentration risk since Clients may own more than one fund managed by the same issuer; or Clients may be invested in several funds with similar strategies which poses a type concentration risk.

- Other risks: Our recommended strategies include these risks (listed above) as well as other risks that are more specifically associated with managers, strategies, funds or instruments we select or recommend. For example, some recommended managers use derivatives (such as options as a hedge) which pose special risks; others carry liquidity risk specific to underlying investments; additionally, some of our risk based asset allocated models have a particular concentration risk since we may recommend a single manager, or a fund complex for a large portion model. Some recommended strategies include alternative (or uncommon) investment strategies; or allocations to funds with limited or no prior history of operations. Each recommended manager discloses risks associated with investing in their fund(s) separately (in their respective brochures and/or prospectuses). Although we acknowledge that Clients are relying on CAPTRUST to manage portfolio risk, Clients are encouraged to read managers' disclosure brochures, prospectuses and ask questions of our Financial Advisors, Investment Committee Members or compliance team members. Call (919) 870-6822 or send a message to compliance@captrustadvisors.com.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of CAPTRUST or the integrity of CAPTRUST's management. CAPTRUST's management has no reportable disciplinary history information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

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

Many Financial Advisors are life insurance licensed in order to act as agent of record for those Clients who own life insurance products or retirement plans funded with group variable products. Financial Advisors at CAPTRUST may occasionally recommend fixed or variable annuities or life insurance to their Wealth Clients when assisting them in executing their financial plan. CFS and CAPTRUST have business entity insurance licenses.

CFS, as an affiliated registered broker-dealer, provides individual and institutions general securities investment services. Most Investment Adviser Representatives with Adviser are simultaneously registered as CFS Registered Representatives. A CAPTRUST Financial Advisor who focuses primarily on wealth advisory services generally spends 20% of his/her time on work done for Clients focused on activities consistent with the definition of broker/dealer activities. A CAPTRUST Financial Advisor whose focus is Plan Clients will generally spend less than 1% of his/her time on activities broker/dealer activities.

As a result of certain investment related recommendations (or other investment advisory services) provided to CAPTRUST Clients, CFS, in its capacity as a registered broker/dealer or insurance agent/agency (business entity), may facilitate certain securities purchases and/or sales, or insurance product purchases and/or sales on behalf of CAPTRUST Clients. Commissions charged by CFS (the broker/dealer) may be higher or lower than obtainable elsewhere. All related compensation is separate from advisory services.

However, as clearly explained above in Item 5 (Fees and Compensation), product revenue associated with Plan Client assets is captured to reduce the plan advisory fee pursuant to the terms of the RPASA.

Freedom One Retirement Services, LLC (“FORS”) is also affiliated with CAPTRUST by common ownership. CAPTRUST acts as a discretionary ERISA 3(38) investment manager for Plan Clients for whom retirement plan administrative services are provided by FORS (“Freedom401k Clients”). FORS has contracted with the Newport Group (“Newport”) for access to Newport’s state of the art propriety record-keeping system (which includes hosting of Freedom401k Plans’ sponsor and employee self-service web portals).

CAPTRUST does not typically recommend custodians to Plan Clients, however, for the majority of Freedom401k Plans, Fidelity acts as custodian for the Plan’s assets. Freedom401k Plan Clients have separate written agreements with respect to custodial arrangements and may be paying more or less for custodial services through Fidelity than other providers of similar services. Freedom401k Clients may be paying more or less for retirement plan administrative/recordkeeping services than other Plan Clients utilizing unaffiliated record keepers.

Pensionmark Financial Group, LLC (“PFG”) is affiliated with CAPTRUST by common ownership. Some associated persons of PFG are also registered as Investment Advisory Representatives of CAPTRUST and/or registered representatives of CFS.

In the first quarter of 2017, The CapFinancial Group, Inc. (CAPTRUST’s parent company) acquired the substantial assets of The Johnston Group, Inc. (“TJG” CRD#122889) and also Windsor Financial Group, LLC (“Windsor” CRD#107462), both federally registered investment advisers. TJG and Windsor Clients are being asked to assign their advisory agreements to CAPTRUST.”

In general, CAPTRUST recommends that wealth clients, foundations, endowments or other institutional (non-ERISA qualified plan) clients (collectively referred to herein as “Wealth Clients”) establish brokerage accounts through CFS using Pershing (“Custodian”) to maintain custody of Clients’ assets and to effect trades for their accounts. However, some CAPTRUST Wealth Clients utilize Fidelity or Schwab for custodial and execution services (“Custodians”). However, Wealth Clients using CAPTRUST Wrap Programs are required to use Pershing which provides the managed account platform for CAPTRUST’s Wrap Programs. (Please refer to CAPTRUST ADV Part 2 Wealth brochures and Appendices for information and important disclosures on these Wealth Advisory Services). These Custodians are FINRA registered Broker-Dealers. CAPTRUST is independently owned and operated and not affiliated with any Custodian.

Item 11 – Code of Ethics

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

The Code addresses, among other things, the following: (i) general principles that address CAPTRUST’s fiduciary obligations to its Clients, (ii) personal securities trading procedures restricting the purchase and sale, by access persons for their own accounts, of specific securities; (iii) provisions relating to the

confidentiality of Client information; (iv) a prohibition on insider trading; and (v) restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment.

Occasionally, access persons of Adviser may recommend that Clients buy or sell the same securities or investment products that access persons of the Adviser also own. In such circumstances, Adviser shall give precedence to Client transactions. CAPTRUST's employees and persons associated with CAPTRUST are required to follow the Code of Ethics. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CAPTRUST will not interfere with (i) making decisions in the best interest of advisory Clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of CAPTRUST's Clients. In addition, the Code requires pre-approval of specific types of transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as Clients, there is a possibility that employees might benefit from market activity by a Client. Employee trading is monitored under the Code of Ethics to reasonably prevent conflicts of interest between CAPTRUST and its Clients.

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

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

Item 12 – Brokerage Practices

CAPTRUST is required to describe the factors considered in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions). For the majority of our Plan Clients, CAPTRUST is being engaged upon an RPASA on a nondiscretionary consulting basis for either a flat fee or expressed as a percentage of assets under advisement. In general, Plan assets are held at various third party custodians that have not been recommended by CAPTRUST and for which CAPTRUST has no interest or conflict to disclose. However, please refer to Item 5, for important disclosure of CAPTRUST's affiliation with CFS (a Broker/Dealer registered under the Securities Exchange Act of 1934).

Brokerage Practices affecting Wealth Clients (including nonretirement plan client such as foundations endowments, and other institutional clients) are separately disclosed in its Wealth ADV Disclosure Brochures and appendices.

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

and net prices for the combined order. However, CAPTRUST is not obligated to bunch or aggregate orders or to include any particular account in a bunched order if portfolio management decisions for such accounts are made separately or if CAPTRUST determines that aggregating trades would be inconsistent with the Adviser's investment management duties or with any investment objectives, guidelines or restrictions applicable to a particular account.

All orders placed for execution on an aggregated basis ("block" trades) are subject to CAPTRUST's Trade Allocation Procedures ("Procedures"). Under the Procedures, CAPTRUST will bunch orders where appropriate for the participating Clients and when consistent with CAPTRUST's duty to seek best execution. Prior to or contemporaneous with the entry of an aggregated order, a written preallocation and/or other written statement will be generated, which identifies the Client accounts or trading group(s) of Client accounts participating in the bunched order, the proposed allocation of the order, upon completion, to the relevant Client accounts or trading group(s) and the amount (either in dollars, number of shares, or % of market value of Client account(s)) that the portfolio manager will accept for each Client account or trading group of Client accounts. Prevailing trading activity frequently may make it impossible to receive the same price or execution on the entire volume of securities purchased or sold. When CAPTRUST cannot fill all orders at the same price, each account that participates in the block order will receive the average price for all the transactions on a particular day. Thus, the effect of the aggregation may operate in some circumstances to a particular Client's disadvantage. When a bunched order is partially filled, the securities actually purchased or sold by the close of each business day will be allocated in a manner that is consistent with the initial preallocation statement and that does not consistently advantage or disadvantage particular Clients or groups of Client accounts, as determined by CAPTRUST from time to time. However, adjustments to the allocation may be made to avoid *de minimis* allocations to Client accounts or to avoid deviations from pre-determined holding limits established for any account. CAPTRUST will retain records of the trade order (specifying each participating account) and its allocation.

In addition, although CAPTRUST generally attempts to block trades for Client accounts, aggregation may not be possible because of that Client's specific brokerage arrangements or other factors. As discussed in item 10, although CAPTRUST may recommend that Wealth Clients establish accounts with Pershing, some Clients may select Schwab or Fidelity act as custodian and broker/dealer for their accounts. As such, when the Adviser implements a portfolio decision or strategy ahead of or contemporaneously with, similar portfolio decisions or strategies of another Client, market impact, liquidity constraints or other factors could result in one or more Clients receiving less favorable trading results, the costs of implement such portfolio decisions or strategies could be increased or such Clients could otherwise be disadvantaged. On the other hand, potential conflicts may also arise because portfolio decisions regarding a Client may benefit other Clients. There can be no assurance that any actual or potential conflicts of interest will not result in a particular Client or group of Clients receiving less favorable investment terms in or returns from certain investments than if such conflicts of interest did not exist

Some Plan Clients may use Bank of New York or an affiliate as a platform/custodian for their plan assets. Therefore it is material to disclose that as a broker-dealer, CFS has an existing relationship with Pershing, LLC ("Pershing"), an affiliate of Bank of NY, in the form of a "Clearing Agreement."

Item 13 – Review of Accounts

Plan Client Accounts are advised by their Financial Advisor, the Investment Advisor Representatives (IAR) responsible for performing periodic reviews and consulting with the respective Client. Additionally,

investment company assets in Plans are monitored on a continuous and regular basis by CAPTRUST Consulting Research Group (“CRG”). Plan Clients who are under an RPASA receive quarterly reviews produced by CAPTRUST for each Plan. Denise Buchanan, Chief Compliance Officer, heads up the Compliance Team that reviews and approves the commentary (written by CRG) contained in the Quarterly Reports. Additionally, monthly and quarterly statements are provided by the Plan Client’s custodian, but additional reports may be provided by Third Party Administrators employed by the Plan Client.

Plan Clients agree to inform the CAPTRUST in writing of any material changes to the Plan Client’s financial circumstances that may affect advice being rendered to the Plan. Plan Clients may contact the Adviser during normal business hours to consult with the firm concerning any such material changes.

Item 14 – Client Referrals and Other Compensation

CAPTRUST, in some instances, may compensate third-party solicitors (or “Corporate Solicitor”) for Client referrals. In order for a business entity to be compensated by CAPTRUST for referring a Client to CAPTRUST, the solicitor must be engaged by CAPTRUST under a Solicitor or Referral Agreement (“Agreement”) in compliance with Section 206(4)-3 of the Investment Advisers Act of 1940. In general, a Corporate Solicitor is compensated by a percentage of the advisory fee collected for a limited period of time specified in the Agreement. The Client pays no additional fee for the referral over and above CAPTRUST’s quoted advisory fee; to the contrary, the fee the Adviser earns is reduced by the amount of the compensation to the Corporate Solicitor. A Client who is solicited by a Corporate Solicitor will receive the Solicitor’s separate Disclosure Statement describing the nature of the arrangement in detail. Clients may request details regarding a particular Agreement by contacting us toll-free at (800)216-0645 or sending an email to compliance@captrustadvisors.com.

Item 15 – Custody

Client Custodians issue quarterly account statements from directly to Clients. CAPTRUST urges you to carefully review such statements and compare the official custodial records to any reports that we may provide you. CAPTRUST’s reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. CAPTRUST does not act as a qualified custodian for Plan Client assets. However, CAPTRUST does disclose upon the ADV Part 1 (Item 9) that it has custody of Clients’ funds or assets because of the method by which CAPTRUST processes third party checks for Wealth Clients and also because a small number of Wealth Clients have asked a CAPTRUST Financial Advisor to act as a trustee or in a similar capacity with respect to their wealth assets or in the case where CAPTRUST has unrestricted ability to access a Client’s assets. Therefore, CAPTRUST undergoes an annual “surprise” audit by an independent certified accountant.

Item 16 – Investment Discretion

For certain CAPTRUST Clients, Adviser has the authority to determine, without obtaining specific Client consent, both the securities to be bought and sold in their accounts as well as the amount of the securities to be bought or sold. The *discretionary* RPASA (Retirement Plan Service Agreement) gives CAPTRUST the authority to take discretion over the investment selection in a Plan. This service elevates CAPTRUST’s fiduciary role to that of an ERISA 3(38) “investment manager.”

CAPTRUST acts as a subadvisor with respect to Managed Account Portfolio (“MAPS”) that are collective investment trusts (“CITS”) for which Wilmington Trust acts as investment manager. Some Plan Clients may grant CAPTRUST ERISA 3(38) discretion over the investment line-up available inside their retirement

plan which may also include the MAPs as available investment options for plan participants to select. However, Plan Clients engaging CAPTRUST for nondiscretionary ERISA 3(21) advisory services may utilize MAPs as well.

CAPTRUST's separate Disclosure Brochure for its Wealth Management Services discloses the level of authority and discretion CAPTRUST is granted, in general, for its Wealth Clients.

Adviser may have the authority to negotiate fees on behalf of the Plan Client with its other service providers. Specifically, in its efforts to perform "Request(s) For Proposals" (RFP's) on behalf of Plan Clients, Adviser assists the Plan Client in determining the most suitable fee for services structure that can be obtained within the constraints of the Retirement Plan Document(s). However, CAPTRUST does not have any "control" over the fees or commissions charged by custodians or investment companies for the products or services they provide. Consequently, the Plan Client may pay fees or commissions higher than obtainable elsewhere for similar products or services.

See Item 10 for important disclosures about CAPTRUST's affiliated record keeper, FORS.

Item 17 – Voting Client Securities

In general, where CAPTRUST has been provided discretionary authority by its Clients, Clients may delegate the right to vote proxies to CAPTRUST. CAPTRUST's aim is to see that proxies are voted in the best interest of its Clients. In General, the proxy voting guidelines are designed to be responsive to the wide range of issues that can be raised in proxy situations. The Proxy Voting Policy contains guidelines and specific methods by which conflicts of interests are addressed. Please note, Freedom401k Plan Clients retain the right to vote proxies, so although CAPTRUST has investment discretion, CAPTRUST does not vote proxies on behalf of Freedom401k Plan Clients.

To obtain a copy of CAPTRUST's Proxy Voting Policy or for a copy of CAPTRUST's Proxy Voting record, Clients can contact CAPTRUST directly at: (800) 216-0645 or (919) 870-6822 or may email compliance@captrustadvisors.com or write to CAPTRUST "Compliance" at 4208 Six Forks Road #1700, Raleigh NC 27609 to obtain the information.

Item 18 – Financial Information

Registered Investment Advisers are required to provide Clients with certain financial information or disclosures about the investment adviser's financial condition. CAPTRUST has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of any bankruptcy proceeding.

Privacy Policy

CapFinancial Partners, LLC ("CAPTRUST") recognizes that its Clients have an expectation that CAPTRUST and its affiliates will maintain the confidentiality of Clients' nonpublic personal information. Consequently, CAPTRUST has adopted this Privacy Policy concerning information obtained during the servicing of Client's account(s).

Nonpublic information: Nonpublic information obtained by CAPTRUST for purposes of providing services hereunder will not be furnished to third parties for any other purpose other than in furtherance of the services to be provided hereunder. Notwithstanding the foregoing, CAPTRUST may disclose nonpublic information (i) to the extent such disclosure is required by court order or by a valid order of a

governmental body governmental or quasi-governmental agency (such as FINRA) (ii) prior or after the time of disclosure such information becomes part of the public knowledge or literature, not as a result of any inaction or action of CAPTRUST, (iii) reasonably necessary for CAPTRUST to enforce its legal rights in any dispute with that Client; or (iv) is approved by Client, in writing, for release. CAPTRUST does not disclose nonpublic personal information about its Clients to any party except as permitted by law.

Sources of Personal Information: We collect Personal Information about you from meetings with you and on applications or other forms you have submitted to CAPTRUST, as well as information about your investments or transactions with us or others (such as third party service providers or fund companies) from other sources.

How CAPTRUST Protects the Confidentiality of Clients' Nonpublic Personal Information:

CAPTRUST does not sell or trade Clients' information with nonaffiliated companies. When information is provided to third party service providers, safeguards are in place to assure that information is used only for the purpose it is provided. CAPTRUST maintains its records on secured computers. Prospective employees are screened for criminal convictions. Once hired, employees are made aware of CAPTRUST's Privacy Policy and of the confidential nature of the information they handle. Employees are limited to accessing only that customer information that is necessary to perform their job functions.

To Whom This Policy Applies: This Notice applies to all our Clients who enter into an Advisory Services Agreement with us. Our Former Clients: Even if you are no longer a Client, our Privacy Policy will continue to apply to you.

Access to and Correction of Information: Upon the written request of Clients, we will make available for their review any file we may maintain for their personal Information; provided, however, that any Information collected in connection with, or in anticipation of, any claim or legal proceeding will not be made available. If Clients notify us that any Information is incorrect, we will review it. If we agree, we will correct our records. If we do not agree, Clients may submit a short statement of dispute, which we will include in any future disclosure of the disputed Information.

Further Information: We reserve the right to change this Privacy Policy at any time. The examples contained within this Privacy Policy are illustrations and are not intended to be exclusive. This Policy attempts to comply with federal and state regulations regarding privacy. Clients may have additional rights under other foreign or domestic laws that may apply to them.

"Opt Out" Provision: Since CAPTRUST does not sell or share any Personal Information, an "opt out" provision would not be applicable to this Privacy Policy. Clients may call (800)216-0645 to request further information regarding this policy.

Business Continuity Disclosure/Summary

CapFinancial Partners, LLC, doing business as CAPTRUST Financial Advisors, ("CAPTRUST") is a federally registered investment adviser. CapFinancial Securities, LLC (an affiliate of CAPTRUST) is an independent FINRA broker/dealer utilizing the clearing services of Pershing, LLC ("Pershing"). Pershing provides custody, back-office and trade support for most of CAPTRUST's Wealth Advisory Clients. However, some Client account(s) and assets are maintained and custodied by Schwab Institutional. Plan Clients' assets are maintained at their respective custodians as selected by each Plan Client. However, Freedom401k Plan Clients accounts and assets are maintained and custodied at Fidelity Institutional Brokerage.

The following is a summary of the manner in which CAPTRUST's Business Continuity Plan (BCP) addresses the possibility of significant business disruptions. Accordingly, CAPTRUST is furnishing this document to you to provide information about our efforts to ensure that impact to your business is minimized in the event of an emergency or disaster.

Securities Industry regulations require each member firm to create and maintain a business continuity plan reasonably designed to meet its obligations to its clients or other counter-parties. In accordance with these requirements, CAPTRUST has designed a business continuity plan to address possible scenarios in efforts to minimize any service impact to our Clients.

In keeping with the regulatory requirements, the business continuity plan for CAPTRUST is designed to address key areas of concern - including but not limited to the following:

- Data back-up and recovery;
- Mission critical systems;
- Financial and operational assessments;
- Alternate means of communication between CAPTRUST and its Clients;
- Alternate means of communication between CAPTRUST and its employees;
- Alternate physical locations of employees;
- Critical business constituent, bank and counter-party impact;
- Regulatory reporting;
- Communications with regulators; and
- How CAPTRUST will ensure that customers have access to their funds and securities in the event CAPTRUST determines it is unable to continue its business.

Since events creating business disruptions may vary in nature and scope, CAPTRUST has anticipated scenarios in which the following are affected:

- CAPTRUST's headquarters and primary building location
- A CAPTRUST branch location
- A city wide area
- A regional area

Regardless of the scope of potential disruption, CAPTRUST intends and will endeavor to continue to provide service to its Clients.

In the event of a significant business disruption, where the primary building or business district is located, CAPTRUST will move staff from affected offices to the closest of the firm's unaffected offices. The firm has four other locations from which to conduct business. Therefore, should the primary building or business district be affected by a disruption, the other locations can be used to help restore operations.

In the unlikely event of a citywide or regional disruption, CAPTRUST's has two alternate locations ("established recovery sites") located in other cities. The first established recovery site is approximately 170 miles from CAPTRUST's headquarters and the distance for the other is approximately 400 miles.

Either alternate location can be used to restore time sensitive functions as soon as key employees are relocated to the facility. In the event that any such disruption occurs, the firm has established alternative service arrangements, systems, locations and contingency plans in an effort to ensure that any service is quickly restored.

CAPTRUST has identified several computer applications with Mission Critical or High Criticality ratings and has documented this within the business continuity plan. These Mission Critical computer applications are proprietary to CFS's Clearing Firm (Pershing). Pershing regularly performs disaster recovery testing and reports results to CFS and CAPTRUST. Pershing provides an annual BCP disclosure to CAPTRUST Clients. Clients may reach Pershing directly at (201)413-3635 for recorded instructions during a significant business disruption.

For those CAPTRUST Clients who are utilizing Fidelity as custodian:

Although CAPTRUST recognizes Fidelity as a Critical Business Constituent, Fidelity's proprietary web-based platform makes permits access to a Client's account remotely regardless of a business local, city-wide or regional disruption. For a summary of Fidelity's Business Continuity Plan, please call CAPTRUST at (800) 216-0645 or you may reach Fidelity directly at 800-343-3548.

For Clients who are utilizing Charles Schwab as custodian:

Although CAPTRUST recognizes Schwab as a Critical Business Constituent, Schwab's proprietary web-based platform permits access to a Client's account remotely regardless of a business local, city-wide or regional disruption. For a summary of Schwab's Business Continuity Plan, please call CAPTRUST at (800) 216-0645 or you may reach Schwab Institutional Investments directly at 800.289.5114. Clients may access their Schwab accounts by logging into www.schwab.com.

At a minimum, the CAPTRUST business continuity plan is reviewed, updated and tested on an annual basis. Additionally, our primary internal and external application providers periodically conduct testing of their own back-up capabilities in an effort to ensure that, in the event of an emergency or significant business disruption, they will be able to provide us with the critical information and applications CAPTRUST needs to continue or promptly resume the firm's business. When testing our plan, we review the recovery time and resumption time period for mission critical systems.

Making sure that any type of disruption does not unduly impact our Clients is extremely important to us, and our business continuity plan is designed to allow us to continue to provide the quality service Clients have come to expect from CAPTRUST.

In the event of an internal or external significant business disaster, if telephone service is available, CAPTRUST's registered persons will take customer orders or instructions by phone ((919) 870-6822 (local) or (800) 216-0645 (toll-free)) and contact our clearing firm on their behalf, and if our Web access is available, our firm will post on our Web site (www.captrustadvisors.com) that customers may access their funds and securities by contacting Pershing, Fidelity or Schwab directly.

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Item 1 - Cover Page

Consulting Research Group

Investment Committee

3/30/2017

This brochure supplement provides information about CAPTRUST Financial Advisors Consulting Research Group's Investment Committee. Specifically, the persons who determine the investment advice to be given are summarized in this supplement to the CAPTRUST Financial Advisors ("CAPTRUST") Disclosure Brochure. You should have received a copy of that brochure. Please contact the Compliance Department at (919) 870-6822 if you did not receive the CAPTRUST Disclosure Brochure or if you have any questions about the contents of this supplement. Additional information about CAPTRUST is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Education Background and Business Experience

J. Fielding Miller
Chief Executive Officer

Born: 1960

Educational Background

Fielding earned his Bachelor of Science, Business Administration degree in business marketing from East Carolina University.

Business Experience

As the co-founder of CAPTRUST Financial Advisors, Fielding is credited with setting the course for the company becoming one of the nation's largest independent financial advisory firms. As Chairman and CEO, he continues to lead our corporate strategy, ensuring that CAPTRUST remains competitively positioned to serve our clients' needs in an increasingly complex and volatile market environment.

Dates		Firm	Position			
10/2003	Present	CAPFINANCIAL PARTNERS LLC (CAPTRUST)	RALEIGH	NC	USA	CEO
6/2002	10/2003	Wachovia Securities Financial Network	RALEIGH	NC	USA	Financial Advisor
1997	6/2002	CapTrust Financial Advisors, LLC	CHARLOTTE	NC	USA	President

Mark Paccione, CFA
Director, Investment Research

Born: 1975

Educational Background

Mark earned his BA in Mathematical Economics from Wake Forest University.

Business Experience

Dates		Firm	Position		
10/2005	Present	CAPFINANCIAL PARTNERS, LLC	RALEIGH	NC	Director, Investment Research
03/2004	09/2005	MORGAN STANLEY & CO. INCORPORATED	SAN FRANCISCO	CA	Sales Assistant
10/2002	10/2003	ELECTRONIC TRADING GROUP	SAN FRANCISCO	CA	Equity Trader

David Hood
Director, Investment Research

Born: 1978

Educational Background

David is a graduate of University of North Carolina at Chapel Hill with a BA in Political Science and a BA in Journalism and Mass Communication. David earned his MBA from Wake Forest University in finance.

Business Experience

Dates		Firm	Position		
09/2009	Present	CapFinancial Partners, LLC (CAPTRUST Financial Advisors)	RALEIGH	NC	Senior Manager, Investment Research
08/2007	08/2009	Wake Forest University	Winston-Salem	NC	Graduate Student
06/2004	07/2007	Electric Supply Co of NC	Durham	NC	Associate
8/2002	6/2004	King & Spalding LLC	Washington	DC	Legal Assistant, Antitrust lit

Hunter Brackett
Senior Manager, Investment Research

Born: 1974

Educational Background

Hunter is a graduate of Washington and Lee University with a Bachelor of Arts in Economics. Hunter earned his MBA from UNC Kenan-Flagler Business School, with a concentration in Investment Management.

Business Experience

Dates		Firm	Position		
06/2012	Present	CapFinancial Partners, LLC (CAPTRUST Financial Advisors)	RALEIGH	NC	Senior Manager, Investment Research
11/2011	05/2012	Sabbatical	Chapel Hill	NC	
03/2008	10/2011	NCM Capital Mgt	Durham	NC	Sector Leader Research Analysis
03/2004	02/2008	Lehman Brothers	NY	NY	Equity Research Associate

Matt Ogden
Manager, Investment Research

Born: 1984

Educational Background

Matt earned a Bachelor of Arts degree in Mathematical Economics from Colgate University

Business Experience

Dates		Firm	Position		
04/2010	Present	CAPTRUST Financial Advisors	Raleigh	NC	Manager, Investment Research
06/2006	12/2009	Rocaton Investment Advisors	Norwalk	CT	Analyst

Item 3 - Disciplinary Information

The Investment Committee Members of CAPTRUST'S Consulting Research Group ("CRG") summarized here are Investment Advisor Representatives of CAPTRUST. Investment Advisory Representatives are required to disclose all material facts regarding any legal and disciplinary events that would be material to your evaluation of the representative. None of these CAPTRUST Investment Advisory Representatives (Fielding Miller, Mark Paccione, David Hood, Hunter Brackett and Matt Ogden) have any information applicable to this Item.

Item 4 - Other Business Activities

Investment Committee Members may also be Registered Representatives of CapFinancial Securities, LLC, an affiliated registered broker-dealer and member FINRA/SIPC. However, Investment Committee Members in CRG are salaried employees whose compensation is not determined by assets under management or commissions (transaction based fees) or product revenue.

In this way, CAPTRUST eliminates the conflict of interest so they have no financial incentive to recommend securities and other investments that may result in commissions, brokerage fees, 12b-1 fees or other payments.

When CapFinancial Securities, LLC collects revenue as a broker/dealer on products associated with CAPTRUST Plan Client assets, members of CRG do not act as "broker of record," but rather, the Financial Advisor who is responsible for relationship management may do so. However, all product revenue associated with Plan assets is reflected upon an invoice to Plan Clients and used to offset or lower the Plan Client's advisory fee. CAPTRUST is constrained by fiduciary principles to act in your best interest.

Item 5 - Additional Compensation

The members of CRG do not receive additional compensation for advisory services other than fees paid by the Client.

Item 6 - Supervision

The investment advisory activity of CRG is supervised by Denise Buchanan, Chief Compliance Officer. Ms. Buchanan can be reached at (919) 870-6822.

The CAPTRUST Financial Advisor ("Financial Advisor") responsible for performing periodic reviews and consulting with the individual Plan Clients is in a relationship management role. The members of the Consulting Research Group summarized here are responsible for ongoing reviews of markets, sectors and individual securities. This continuous and regular investment supervision is conducted by the CAPTRUST Consulting Research Group ("CRG") under the Investment Committee's direction and supervision. David Hood manages CRG's Investment Manager Due Diligence program. Mark Paccione manages the CRG team focused on Wealth Clients. Mark Paccione and David Hood report directly to Fielding Miller; Hunter Brackett and Matt Ogden report directly to David Hood.