



Capital Analysts, LLC  
Wrap Fee Program Brochure

**As of September 25, 2020**

Principal Office:

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Fort Washington, PA 19034

You may also visit us on the web at [www.capitalanalysts.com](http://www.capitalanalysts.com).

This Wrap Fee Program Brochure provides information about the qualifications and business practices of Capital Analysts, LLC, a registered investment adviser with the U.S. Securities and Exchange Commission (SEC). If you have any questions about the contents of this brochure, please contact us at (800) 242-1421. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. Furthermore, registration with the SEC does not imply a certain level of skill or training.

Additional information about Capital Analysts, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

*For material changes in Capital Analysts, LLC's investment advisory services and operations since its last Form ADV2A other-than-annual amendment in June 2020 see page 2 of the attached Capital Analysts Investment Advisory Disclosure Brochure – Form ADV Part 2A. This information is being provided so that you can continue to make informed decisions about the advisory services provided to you by Capital Analysts, LLC.*

### **The following is provided as an update to Capital Analysts' Form ADV 2A Appendix 1 Item 4, Services, Fees and Compensation:**

**Capital Analysts' Share Class Selection Policy for Advisory Accounts.** Capital Analysts is amending its mutual fund share class policy starting October 2020 and will begin implementing changes in mutual fund share class during the fourth quarter of 2020 and the first quarter of 2021. This share class selection policy applies to your advisory assets that are custodied at Pershing LLC and for which Capital Analysts and/or your financial professional initiate the trade and is described below.

Although you are purchasing at net asset value of the fund, there are internal expenses built into every mutual fund that can impact the performance of your investment over time. Regardless of whether you have selected a discretionary asset management program or a non-discretionary advisory program, share class selection for your mutual fund purchases within your advisory account will be determined by Capital Analysts. Share class expenses can vary across different share classes of the same fund. In furtherance of its fiduciary duty to advisory clients, Capital Analysts will seek to select the least expensive share class available at Pershing LLC for the selected mutual fund for which all of our retail advisory accounts will be eligible. For purposes of this policy, the least expensive share class is defined as the share class of a mutual fund that has the lowest prospectus net expense ratio as published by Morningstar, subject to the share classes' investment minimums being appropriate for all of our retail advisory investors, obtaining investment minimum waivers where they are available, and selecting a share class that is available to all investors regardless of account tax type. Capital Analysts will also consider various other factors when considering share class conversions in your advisory accounts, including but not limited to, whether the fund will allow tax-free conversions, as well as whether there is a ten basis point (0.10%) or greater difference in the expense ratio between the existing share class and the new, proposed share class. The fund share class used in an IM&R discretionary managed Model Portfolio can be different than for other Capital Analysts non-discretionary advised accounts, as a fund minimum waiver may be available for discretionary IM&R Managed Model Portfolios but not for non-discretionary advisory accounts. Most mutual funds offer varying share classes but all custodians may not make all share classes of a mutual fund available; therefore, the designated share class selected by Capital Analysts will likely vary across custodial platforms.

If the fund and share class selected includes a 12b-1 fee, Pershing LLC continues to be instructed on our behalf to credit back to your advisory account any 12b-1 fee revenue received by the firm on behalf of your advisory assets held at Pershing LLC to eliminate the conflict of interest associated with the receipt of such revenue.

Capital Analysts will review available mutual fund share classes on a quarterly basis to identify those mutual funds where there has been a prospectus update or a new share class has been made available by the fund in the prior quarter. If it is determined that a lower cost share class is available and meets our policy criteria as described above, Capital Analysts will initiate a share class conversion for all mutual fund investments in a higher expense share class to that lower expense share class. Share class conversions will appear on your account statements. The ability and length of time to effect a share class conversion will vary and is subject to prospectus requirements and custodial platform approval. If you

transfer-in shares of a mutual fund into a non-discretionary advisory account that are in a share class that is less expensive than the share class available to our advisory accounts, Capital Analysts will not convert your mutual fund position held in a lower expense share class of the same fund to a more expensive share class of the same fund. However, Capital Analysts may restrict additional purchases of that share class. Capital Analysts can also convert the grandfathered share class during a subsequent periodic review.

Until all mutual funds have been converted to the least expensive share class, you should not assume that you are or will be invested in the least expensive share class available, and the share class of a mutual fund offered by Capital Analysts can have higher expenses, and therefore lower returns during the conversion transition period.

Information about the mutual funds and share classes that are available through your account, including their investment policies, restrictions, charges, and expenses, is contained in the mutual funds' prospectuses. You should read these prospectuses carefully.

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Brochure Supplement(s) included:

- Form ADV Part 2A
- Investment Management & Research Team Brochure Supplement (Form ADV Part 2B)

**Capital Analysts Form ADV Part 2A, Items 1-Item 17, is included and to be delivered together with this Capital Analysts Form ADV Part 2A – Appendix I Brochure**

#### Item 4: Services, Fees and Compensation

*This section will describe the wrap fee programs sponsored by Capital Analysts, LLC (Capital Analysts), how we tailor these programs to your individual needs, and which of our wrap fee programs allows you to impose investment restrictions. This section also provides a description of our wrap fees, how and when these wrap fees are collected, and if refunds are available. Other types of fees and expenses that you may incur are described below in the section titled, "Other Costs That You May Incur." Other types of compensation that Capital Analysts, its affiliates and/or your Advisor may receive, which can create conflicts of interest, are described below in the section titled, "Other Compensation to Capital Analysts and Our Conflicts of Interest."*

**Our Fiduciary Role...**Capital Analysts and your Advisor assume a fiduciary duty to invest or provide to you investment recommendations that are in your best interest. This fiduciary duty extends to all advisory accounts you open with us, but such fiduciary duty does not extend to brokerage or other non-advisory accounts or investments. The level of monitoring in your advisory account will depend on the advisory program you select, your advisory agreement with us and your Advisor. If Capital Analysts or your Advisor have been granted full discretionary trading authority over your advisory account, Capital Analysts or your Advisor will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other non-discretionary advisory accounts, you and your Advisor will review your advisory account's objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the opportunity to recommend changing or maintaining the objectives or investments in your account.

#### **General Information Regarding Wrap Fee Programs**

A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Capital Analysts and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in your advisory account. Capital Analysts also offers unbundled fee (non-wrap fee) programs, where you would pay a fee to compensate Capital Analysts and your Advisor for their services, but you would pay separately the transaction and clearing costs associated with the trading in your account. These services are described in Capital Analysts' Form ADV Part 2A Brochure.

Capital Analysts' Wrap Fee Programs are offered on Pershing LLC, a brokerage platform where securities such as mutual funds, stocks, bonds, exchange traded funds ("ETFs"), exchange traded notes ("ETNs") and options, all of which typically have trading costs associated with them, are offered. The Wrap Fee is not based directly upon the actual transaction or execution costs of the transactions in your account.

Depending on the underlying investments and amount of transactions you expect to trade in your account, a Wrap Fee account may cost you more than if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all ticket charges). During the implementation period of the new share class policy, Wrap Fee Program accounts that were opened prior to October 1, 2020 favor the use of a fund's share class that has no transaction fee associated with it to minimize the costs that will be assumed by the firm on your behalf. Capital Analysts has a similar incentive in a Wrap Fee account to utilize ETFs with no transaction fees to minimize the costs that will be assumed by the firm on your behalf. Therefore, the out of pocket actual costs to the firm for the transactions in your account may be minimal.

Similarly, if you are interested in a mutual fund-only portfolio or ETF-only portfolio, then a Wrap Fee Program may not be the lowest cost option for you. Pershing LLC offers many mutual funds with no

transaction fees. Your Advisor will review your investment objectives with you to determine the best offering for you.

If the pricing structure of a Wrap Fee Program is suited to your needs, your Advisor will work with you to recommend one or more specific Wrap Fee Program(s) based on your confidential investor profile, in which you provide to Capital Analysts and your Advisor personal and financial information including, but not limited to, your investment goals, income requirements, time horizon, and tolerance for risk in order to tailor his or her recommendations to your needs and objectives.

You may have the opportunity to place reasonable restrictions on the types of investments that are purchased in certain Wrap Fee Programs. Please contact your Advisor to discuss any allowable investment restrictions in the Wrap Fee Program(s) you have selected. Further details regarding your specific Wrap Fee Program can be found in your investment management agreement.

The services and costs covered by the Wrap Fee are:

- Financial and life planning consultation by your Advisor, as needed or requested by you;
- Investment advice provided by Capital Analysts and your Advisor;
- Investment management provided by your Advisor or Capital Analysts;
- Clearing and trading costs associated with transactions in the account, such as ticket charges, surcharge fees for certain no load and load waived funds and confirmation fees;
- Short-term trading costs imposed by mutual funds and/or Pershing for trades occurring within Capital Analysts Managed Programs or Advisor Managed Model Portfolios and Client Custom Portfolios;
- Charges imposed if certain investment minimums are not met;
- Ongoing monitoring of your advisory account(s).

However, your Wrap Fee will *not* cover standard account administrative fees such as statement fees, electronic fund and wire transfer charges, annual IRA custodial and termination fees.

You could purchase services similar to those offered in Capital Analysts' Wrap Fee Programs separately from unaffiliated financial services providers. Wrap Fee Programs may cost you more or less than purchasing the services from another investment adviser. Some cost factors to consider, other than the Wrap Fee itself, when considering an advisory offering include:

- Account custody fees
- Account maintenance and special handling fees, such as wire funds fees
- Volume of trading activity anticipated in your account
- Commissions or ticket charges to be charged in lieu of a Wrap Fee
- Account termination fees
- Account statement and confirmations fees

You should review the costs for each of the management services separately, as well as consider the internal costs of mutual funds in your account, when analyzing the total cost to you. Please contact your Advisor for a schedule of fees and costs associated with our Wrap Fee Program(s).

Your Advisor receives a portion of the Wrap Fee you pay. The amount of this compensation may be more than what your Advisor would receive from other advisory services offered by Capital Analysts, or more than if you paid separately for investment advice, brokerage, and other services. Your Advisor may have an incentive to recommend a Wrap Fee Program over other programs or services.

**The Advisor Fee.** The Advisor Fee portion of your Wrap Fee compensates your Advisor for his or her services. This fee is an annual fee that continues as long as you maintain your account with us. Unless otherwise stated, your Advisor's fee is negotiable at the Advisor's sole discretion and to a maximum fee that is established by Capital Analysts. The maximum annual fee that your Advisor can charge (Advisor Fee) for his/her services is 1.25% of the assets being advised or managed for accounts opened after July 1, 2020. Advisor managed services and fees typically differ by Advisor, and the Advisor Fee can vary based on advisory services offered. Your Advisor will share in all or a portion of the Advisor Fee based on their payout schedule with Capital Analysts. This fee provides ongoing access to your Advisor for financial and life planning consultation, as requested by you, as well as ongoing Investment Advice Services which include, at minimum, assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, conversing with you on an as-needed or as requested basis, but, at minimum, annually, to ensure that the investments and programs continue to meet your stated objectives and needs. It is important therefore that you make the time to speak with your Advisor at least annually or whenever there is a material life event that could affect or change your investment objectives or financial needs.

## **Description of Wrap Fee Programs and Fees**

Capital Analysts sponsors the following Wrap Fee Programs:

### **I. Capital Analysts Managed Programs**

**CAAMS Complete (including *Alternative, Yield and Custom Income Strategies*)**

**CAAMS AssetBuilder**

**CAAMS ETF (including *Environmental, Social and Governance (ESG) Portfolios and Managed Volatility Portfolios*)**

**CAAMS Stock**

**CAAMS UMA**

**CAAMS Strategist**

### **II. Advisor Managed Model Portfolios and Client Custom Portfolios**

### **III. Third Party Managed Model and Third Party Custom Portfolios**

**CAAMS Select Manager**

## **I. Capital Analysts Managed Programs**

Capital Analysts Managed Programs are managed on a discretionary basis by Capital Analysts through its Investment Management & Research (IM&R) team. The IM&R team's background is described in more detail in the ADV 2B Brochure Supplement to this brochure.

When you select a Capital Analysts Managed Program, you must authorize, in writing, full discretionary trading authority to the IM&R team. "Full discretion" means Capital Analysts may place any security transactions in your account without specific consultation with or authorization by you prior to the transactions being entered. For CAAMS Strategists accounts, you are giving Capital Analysts full discretionary authority to manage and/or effect securities transactions in your account based on the model portfolios provided by third-party portfolio managers. Custody and clearing services are performed by Pershing LLC.

The table below provides a comparison of Capital Analysts Managed Programs. Please refer to the specific Capital Analysts Managed Program heading below for further information regarding the management and costs of the program you are considering.

The Wrap Fee amounts provided below represent the maximum annual fee that may be charged.

Capital Analysts Managed Program Offerings							
Capital Analysts Managed Program Name		Investment Types	Max. Annual Capital Analysts Program Sponsor & Management Fee	Max. Annual Advisor Fee <sup>1</sup>	Max. Annual Total Wrap Fee (Sum of columns to left) <sup>2</sup>	Minimum Investment (may be waived)	Minimum Account Size to Avoid \$250 or \$150 Annual Management Fee
CAAMS Complete <sup>4</sup>		Mutual funds and ETFs	0.30% or \$250, whichever is greater	1.25%	1.55%	\$50,000	\$83,333
CAAMS Complete Sleeves	CAAMS Alternative <sup>4</sup>	Mutual funds and ETFs	0.30% or \$250, whichever is greater	1.25%	1.55%	\$50,000	\$83,333
	CAAMS Yield <sup>4</sup>	Mutual funds and ETFs	0.30% or \$250, whichever is greater	1.25%	1.55%	\$50,000	\$83,333
	CAAMS Custom Income Strategies	Customizable to include corporate, municipal, & government debt, ETFs, options, CDs & stocks	0.25% or \$250, whichever is greater	1.25%	1.50%	\$250,000	\$100,000
	CAAMS AssetBuilder <sup>4</sup>	Mutual funds	0.25% or \$150, whichever is greater	1.25%	1.50%	\$15,000	\$60,000
CAAMS ETF		ETFs	0.30% or \$250, whichever is greater	1.25%	1.55%	\$50,000	\$83,333
CAAMS Stock		Stocks and ETFs	0.45% or \$250, whichever is greater	1.25%	1.70%	\$100,000	\$55,555
CAAMS Unified Management Account (UMA)		Mutual funds, stocks, bonds, ETFs and individual money managers	0.45% or \$250, whichever is greater	1.25%	1.70%	\$100,000	\$55,555
CAAMS Advisor Advised ERISA Accounts <sup>4</sup>		Mutual funds, stocks, and ETFs	0.09%	1.25%	1.34%	N/A	N/A



<i>Capital Analysts Managed Program Offerings</i>							
Capital Analysts Managed Program Name		Investment Types	Max. Annual Capital Analysts Program Sponsor & Management Fee	Max. Annual Advisor Fee <sup>1</sup>	Max. Annual Total Wrap Fee (Sum of columns to left) <sup>2</sup>	Minimum Investment (may be waived)	Minimum Account Size to Avoid \$250 or \$150 Annual Management Fee
CAAMS Strategists	Clark Capital Management Group (CCMG) <sup>4</sup>	Mutual funds and ETFs	0.50%	1.25%	1.75%	\$50,000	N/A
	DoubleLine Tactical Volatility <sup>4</sup>	Mutual funds	0.50%	1.25%	1.75%	\$50,000	N/A
	ICON Advisers, Inc. <sup>4</sup>	Mutual funds	0.50%	1.25%	1.75%	\$50,000	N/A
	J.P. Morgan Global Multi-Asset <sup>4</sup>	Mutual funds	0.50%	1.25%	1.75%	\$50,000	N/A
	Meeder Advisory Services, Inc. <sup>4</sup>	Mutual funds	0.50%	1.25%	1.75%	\$50,000	N/A
	Pacific Investment Management Company (PIMCO) <sup>4</sup>	Mutual funds	0.50%	1.25%	1.75%	\$50,000	N/A
	Russell Investment Company <sup>4</sup>	Mutual funds	0.50%	1.25%	1.75%	\$50,000	N/A

<sup>1</sup> Advisor fee is negotiable. Capital Analysts may also waive or negotiate Program Sponsor and Management Fees at our sole discretion.

<sup>2</sup> Important Note: Clients could pay higher than the percentage fee quoted as the Maximum Annual Total Wrap Fee due to the \$250 and \$150 annual minimum for Capital Analysts Program Sponsor & Management Fees. See Program Sponsor & Management Fees under each program description below for additional information regarding the impact of the minimum Capital Analysts Annual Program Sponsor & Management Fees on client accounts.

<sup>3</sup> PIMCO model portfolios are available only to residents of the United States.

<sup>4</sup> Fee increase to take effect on January 1, 2021. Please see the table below.

<i>Capital Analysts Managed Program Offerings – New Fees Effective January 1, 2021</i>						
Capital Analysts Managed Program Name	Investment Types	Max. Annual Capital Analysts Program Sponsor & Management Fee	Max. Annual Advisor Fee <sup>1</sup>	Max. Annual Total Wrap Fee (Sum of columns to left) <sup>2</sup>	Minimum Investment (may be waived)	Minimum Account Size to Avoid \$250 or \$150 Annual Management Fee
CAAMS Complete	Mutual funds and ETFs	0.39% or \$250, whichever is greater	1.25%	1.64%	\$50,000	\$64,102

<b><i>Capital Analysts Managed Program Offerings – New Fees Effective January 1, 2021</i></b>							
<b>Capital Analysts Managed Program Name</b>		<b>Investment Types</b>	<b>Max. Annual Capital Analysts Program Sponsor &amp; Management Fee</b>	<b>Max. Annual Advisor Fee<sup>1</sup></b>	<b>Max. Annual Total Wrap Fee (Sum of columns to left)<sup>2</sup></b>	<b>Minimum Investment (may be waived)</b>	<b>Minimum Account Size to Avoid \$250 or \$150 Annual Management Fee</b>
CAAMS Complete Sleeves	CAAMS Alternative	Mutual funds and ETFs	0.39% or \$250, whichever is greater	1.25%	1.64%	\$50,000	\$64,102
	CAAMS Yield	Mutual funds and ETFs	0.39% or \$250, whichever is greater	1.25%	1.64%	\$50,000	\$64,102
CAAMS AssetBuilder		Mutual funds	0.60% or \$150, whichever is greater	1.25%	1.85%	\$15,000	\$25,000
CAAMS Advisor Advised ERISA Accounts		Mutual funds, stocks, and ETFs	0.15%	1.25%	1.40%	N/A	N/A
CAAMS Strategists	Clark Capital Management Group (CCMG)	Mutual funds and ETFs	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666
	DoubleLine Tactical Volatility	Mutual funds	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666
	ICON Advisers, Inc.	Mutual funds	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666
	J.P. Morgan Global Multi-Asset	Mutual funds	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666
	Meeder Advisory Services, Inc.	Mutual funds	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666
	Pacific Investment Management Company (PIMCO)	Mutual funds	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666
	Russell Investment Company	Mutual funds	0.60% or \$250, whichever is greater	1.25%	1.85%	\$50,000	\$41,666

<sup>1</sup> Advisor fee is negotiable. Capital Analysts may also waive or negotiate Program Sponsor and Management Fees at our sole discretion.

<sup>2</sup> Important Note: Clients could pay higher than the percentage fee quoted as the Maximum Annual Total Wrap Fee due to the \$250 and \$150 annual minimum for Capital Analysts Program Sponsor & Management Fees. See Program Sponsor & Management Fees under each program description below for additional information regarding the impact of the minimum Capital Analysts Annual Program Sponsor & Management Fees on client accounts.

<sup>3</sup> PIMCO model portfolios are available only to residents of the United States.

**The Capital Analysts Program Sponsor & Management Fee.** The Capital Analysts Program Sponsor & Management Fee is the portion of your Wrap Fee paid to Capital Analysts for the administration and asset management of the Capital Analysts Managed Program selected by you. The Capital Analysts Program Sponsor & Management Fee varies depending on the Capital Analysts Managed Program selected. See the table above, as well as the descriptions below, for the Capital Analysts Managed Programs.

All Capital Analysts Managed Programs, except the CAAMS Custom Income Portfolios, are managed as Model Portfolios, which means the portfolio is managed to the stated objectives of the portfolio, not to your personal needs or objectives.

Capital Analysts refunds any 12b-1 fees paid to its affiliated broker-dealer, Lincoln Investment, for Capital Analysts advisory accounts. The refunded amounts are identified on your Pershing statement as a line item transaction labeled “12b-1 Fee Credit”.

Details regarding each Capital Analysts Managed Program are below.

### ***CAAMS Complete***

CAAMS Complete is comprised of model portfolios offering you a choice of mutual fund portfolios with automatic rebalancing. Mutual funds are selected for the CAAMS Complete portfolios using a screening and rating methodology called Capital Analysts Performance Statistics Leaders (CAPSL).

The objective of CAPSL is to identify mutual funds that consistently outperform their peers and the market for consideration of inclusion in diversified investment portfolios. While the CAPSL list represents funds that have exhibited strong characteristics over full market cycles, it is by no means a buy list. On a quarterly basis, the Investment Management & Research team screens the vast landscape of all U.S. open-ended funds for inclusion on the CAPSL list. Morningstar Direct is used to quantitatively screen thousands of funds. Initial screens typically include funds with a five-year track record and those that have at least \$100 million in AUM. Funds are sorted by investment objective and the top funds in each category then undergo an eight-factor quantitative analysis. Finalists are further subjected to style analysis and a qualitative analysis. The final CAPSL list of approximately 100 funds represents less than 1% of the mutual fund universe. This CAPSL list, together with occasional selected ETFs, forms the basis for CAAMS Complete and CAAMS AssetBuilder portfolios. With the exception of CAAMS Custom Income Strategies, Capital Analysts Wrap Programs are managed as Model Portfolios where the portfolio is managed to the stated objectives of the portfolio, not to you or your account. The CAAMS Custom Income Strategies portfolios are constructed on a client-by-client basis, generally utilizing a corporate, government and/or municipal bond laddering strategy.

Seven portfolios are managed by the IM&R team to different risk levels or objectives, each available with standard and tax-aware options:

- Focused Income
- Conservative
- Income & Growth
- Balanced
- Capital Growth
- Aggressive Growth
- High Equity

In addition to the seven portfolios above, CAAMS Complete offers specialized “sleeves” to be used in conjunction with other more broadly diversified portfolios:

- *CAAMS Alternative*  
CAAMS Alternative model portfolio uses alternative mutual funds and ETFs to gain exposure to alternative investments in order to complement a larger diversified portfolio.
- *CAAMS Yield*  
The CAAMS Yield model portfolio is focused on generating income. The portfolio typically allocates to income producing mutual funds and ETFs to gain exposure to both high-dividend equities and yield-bearing bonds.
- *CAAMS Custom Income Strategies*  
Capital Analysts offers the CAAMS Custom Income Strategies program. Custom management means your account is constructed and managed to meet your specific objectives, on a discretionary basis. You and your Advisor will work together to determine your specific risk tolerance and potential income needs. Your portfolio will be structured accordingly by the IM&R team using a laddered bond strategy which may use corporate, municipal, and government debt, as well as other investments such as ETFs, preferred and common stocks, and closed-end funds, covered options, and CDs to help increase yield. These portfolios have a higher minimum investment size than other CAAMS Complete programs.

**Program Sponsor & Management Fee (CAAMS Complete, excluding CAAMS Custom Income Strategies sleeve)**

Assets Under Management (minimum account \$50,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
<b>Capital Analysts Program Sponsor &amp; Management Fee*</b>	0.30% or \$250, whichever is greater	0.25%	0.20%	0.15%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$83,333, the client is paying an administrative fee in excess of the stated 0.30%, which could make the total annual fee paid by clients exceed 1.55%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

**Program Sponsor & Management Fee (CAAMS Complete, excluding CAAMS Custom Income Strategies sleeve) – New Fees Effective January 1, 2021**

Assets Under Management (minimum account \$50,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
<b>Capital Analysts Program Sponsor &amp; Management Fee*</b>	0.39% or \$250, whichever is greater	0.34%	0.29%	0.24%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$64,102, the client is paying an administrative fee in excess of the stated 0.39%, which could make the total annual fee paid by clients exceed 1.64%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### Program Sponsor & Management Fee (Custom Income Strategies sleeve)

Assets Under Management (minimum account \$250,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Program Sponsor & Management Fee*	0.25% or \$250, whichever is greater	0.25%	0.20%	0.15%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$100,000, the client is paying an administrative fee in excess of the stated 0.25%, which could make the total annual fee paid by clients exceed 1.50%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### CAAMS AssetBuilder

CAAMS AssetBuilder is comprised of model portfolios utilizing open end mutual funds only. This Program offers you a choice of three risk levels – Moderate Conservative, Balanced, and Aggressive – with automatic rebalancing. CAAMS AssetBuilder utilizes the same selection discipline as used for CAAMS Complete - the Capital Analysts Performance Statistics Leaders (CAPSL) proprietary mutual fund research tool. See the description of the CAAMS Complete program above for more information on mutual fund selection in CAAMS AssetBuilder portfolios.

### Program Sponsor & Management Fee

Assets Under Management (minimum account \$15,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Program Sponsor & Management Fee*	0.25% or \$150, whichever is greater	0.20%	0.15%	0.10%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$150.00 per year, assessed at \$37.50 per calendar quarter. For accounts sizes less than \$60,000, the client is paying an administrative fee in excess of the stated 0.25%, which could make the total annual fee paid by clients exceed 1.50%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### Program Sponsor & Management Fee – New Fees Effective January 1, 2021

Assets Under Management (minimum account \$15,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Program Sponsor & Management Fee*	0.60% or \$150, whichever is greater	0.55%	0.50%	0.45%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$150.00 per year, assessed at \$37.50 per calendar quarter. For accounts sizes less than \$25,000, the client is paying an administrative fee in excess of the stated 0.60%, which could make the total annual fee paid by clients exceed 1.85%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### CAAMS ETF

CAAMS ETF is comprised of model portfolios that invest primarily in exchange-traded funds (ETFs) and certain mutual funds across asset classes and styles. Eight portfolios are managed by the IM&R team to different risk levels or objectives, each available with standard and tax-aware options:

- Focused Income
- Conservative
- Income & Growth
- Balanced

- Capital Growth
- Aggressive Growth
- High Equity
- Yield

CAAMS ETF implements asset allocation models substantially the same as those used in CAAMS Complete using selected ETFs to create portfolios that correlate closely to industry benchmarks. Use of ETFs can reduce the internal expenses of a portfolio. The IM&R team analyzes hundreds of ETFs representing multiple asset classes to determine those ETFs that are best suited to the asset allocation model and constructs the portfolios typically utilizing 10-15 ETFs. The ETF screening and selection process is accompanied by strategic asset allocation analysis. Portfolios are rebalanced and reallocated as necessary.

Capital Analysts also offers a Managed Volatility option. Designed to reduce fluctuations of the portfolio over a market cycle, particularly during periods of heightened volatility, these portfolios are based on the same asset allocation models as other CAAMS ETF portfolios but are constructed using ETFs that are overweight low-volatility securities within a given asset class. The Managed Volatility portfolios may sacrifice some potential gains in exchange for the possibility of avoiding large losses. Because of the effect of managed volatility ETFs on the overall risk-return profile of a portfolio, the Managed Volatility option is available for each of the following portfolios only:

- Income & Growth
- Capital Growth
- High Equity

In addition, Capital Analysts offers Environmental, Social, and Governance (ESG) ETF strategies which are globally diversified portfolios that employ an actively managed investment approach with asset allocation, using exchange traded funds (ETFs) representing multiple asset classes and styles. These portfolios focus on ESG ETFs that invest in securities issues by companies and governments performing well in areas of environmental, social and governance issues. The ETFs offer the potential for long-term growth or income while seeking to mitigate risk exposures from ESG-related issues. The ESG ETF portfolios are available for each of the following portfolios:

- Focused Income
- Conservative
- Income & Growth
- Balanced
- Capital Growth
- Aggressive Growth
- High Equity

#### Program Sponsor & Management Fee

Assets Under Management (minimum account \$50,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
<b>Capital Analysts Program Sponsor &amp; Management Fee*</b>	0.30% or \$250, whichever is greater	0.25%	0.20%	0.15%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$83,333, the client is paying an administrative fee in excess of the stated 0.30%, which could make the total annual fee paid by clients exceed 1.55%. This minimum annual fee would have a greater

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relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### ***CAAMS Stock***

CAAMS Stock is composed of model portfolios offering core multi-cap, multi-style equity portfolios diversified by individual stocks across industry groups and sectors. Where applicable, the IM&R team will also work with you and your Advisor to identify tax loss harvesting opportunities in your CAAMS Stock account.

CAAMS Stock portfolios represent select groups of stocks chosen primarily from the industry groups and economic sectors in the S&P Composite 1500. ETF that track components of the S&P Composite 1500 or other broad-based indexes, as well as ETFs that track international or dividend stock indexes, may be used for some portfolios.

Six portfolios are managed by the IM&R team to different objectives:

- Core Equity
- Core Equity Plus
- Global Equity
- Capital Appreciation
- Equity Income
- Dividend Growth

### **Program Sponsor & Management Fee**

<b>Assets Under Management (minimum account \$100,000)</b>	<b>First \$500,000</b>	<b>Next \$500,000</b>	<b>Next \$1,000,000</b>	<b>Over \$2,000,000</b>
<b>Capital Analysts Program Sponsor &amp; Management Fee*</b>	0.45% or \$250, whichever is greater	0.35%	0.25%	0.20%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$55,555, the client is paying an administrative fee in excess of the stated 0.45%, which could make the total annual fee paid by clients exceed 1.70%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### ***CAAMS Unified Management Account (UMA)***

CAAMS UMA portfolios use both active and passive investment approaches in a single account that combines individual securities from the CAAMS Stock portfolios, ETFs, and mutual funds. These portfolios are appropriate for investors who are interested in a professionally managed account providing the tax efficiency of individual securities and ETFs, and who want their holdings diversified across asset classes and industry groups.

Five portfolios are managed by the IM&R team to different risk levels or objectives:

- Income & Growth
- Balanced
- Growth
- Aggressive Growth

- High Equity

Custom portfolios managed by the IM&R team may also be available in the CAAMS UMA Wrap Fee Program.

### Program Sponsor & Management Fee

<b>Assets Under Management (Minimum account \$100,000)</b>	<b>First \$500,000</b>	<b>Next \$500,000</b>	<b>Next \$1,000,000</b>	<b>Over \$2,000,000</b>
<b>Capital Analysts Program Sponsor &amp; Management Fee*</b>	0.45% or \$250, whichever is greater	0.35%	0.25%	0.20%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$55,555, the client is paying an administrative fee in excess of the stated 0.45%, which could make the total annual fee paid by clients exceed 1.70%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

### CAAMS Strategists

CAAMS Strategists provide access to mutual fund model portfolios developed and managed by certain third party money managers (Strategists) selected by Capital Analysts and the IM&R team. Strategists are registered investment advisers unaffiliated with Capital Analysts, but have entered into agreement(s) to provide the model portfolios, as well as certain research and marketing services.

The current Strategists are Clark Capital Management Group, DoubleLine Capital LP, ICON Advisers, Inc., J.P. Morgan Investment Management Inc., Meeder Advisory Services, Inc., and Russell Investment Company each offering the respective portfolios described below.

#### *Clark Capital Management Group*

Clark Capital Management Group ("CCMG") model portfolios are composed of mutual funds and exchange-traded funds (ETFs) from multiple fund families, as well as affiliated funds (Navigator Funds). CCMG utilizes their proprietary quantitative model to tactically position the portfolios in a "risk-on" or "risk-off" allocation. The Navigator® Global Risk Management strategies seek to provide investors the potential for higher returns in the global equity markets with the ability to shift to safer U.S. fixed income sectors. Developed and managed by CCMG's Investment Team, the strategies are available in three risk allocation profiles: conservative, moderate and growth. CCMG's tactical approach seeks to identify and adapt to changing market themes in an effort to manage volatility in the portfolios over a full market cycle and deliver successful outcomes to investors.

- Global Risk Managed Conservative
- Global Risk Managed Moderate
- Global Risk Managed Growth

#### *DoubleLine Capital LP – Minimum Volatility*

DoubleLine Capital LP ("DoubleLine") model portfolios are composed solely of their affiliated funds (DoubleLine Funds). Developed and managed by DoubleLine, they offer total return fixed-income minimum volatility model portfolios. DoubleLine employs active management of asset class exposure, sector allocations, and security selection to manage volatility in the portfolios over a full market cycle. Tactical allocations may be made as opportunities arise. The portfolios exclusively use mutual funds managed by DoubleLine to implement this strategy.



- Conservative
- Moderate Conservative
- Moderate

*ICON Advisers, Inc.*

ICON Advisers, Inc. (“ICON”) model portfolios are composed solely of their affiliated funds (ICON Funds). ICON brings an analytical logic to the world of investing that aims to reduce subjective decision-making. It enables ICON to challenge conventional wisdom based on disciplined, objective, non-emotional methodology. Led by co-founder and Chief Investment Officer Dr. Craig Callahan, ICON applies the Science of Investing to help identify industries that are underpriced. Dr. Callahan has created a valuation model that advanced the methodology originally developed by Benjamin Graham by adapting it to today’s ever-changing market conditions.

- ICON US Income

*J.P. Morgan Investment Management, Inc. – Global Multi-Asset*

J.P. Morgan Investment Management, Inc. (“J.P. Morgan”) model portfolios are composed solely of their affiliated funds (J.P. Morgan Funds). Developed and managed by J.P. Morgan, the Global Multi-Asset strategy provides five (5) risk-based model portfolios. J.P. Morgan uses both strategic and tactical asset allocation driven by both quantitative and qualitative analysis across widely diversified asset classes. The portfolios exclusively use mutual funds managed by J.P. Morgan to implement this strategy.

- Conservative
- Moderate Conservative
- Moderate
- Moderate Growth
- Growth

*Meeder Advisory Services, Inc.*

Meeder Advisory Services, Inc. (“Meeder”) model portfolios are composed solely of their affiliated funds (Meeder Funds). Developed and managed by Meeder, Meeder offers six (6) risk-based Tactical Allocations Master model portfolios. Meeder uses tactical asset allocation to adjust among asset and sub-asset classes based on short- to intermediate-term market forecasts, with the objective of exploiting inefficiencies or temporary imbalances among them. The portfolios exclusively use mutual funds managed by Meeder to implement this strategy.

- Flexible Income
- Conservative
- Moderate Conservative
- Balanced
- Moderate Growth
- Growth

*Pacific Investment Management Company*

Pacific Investment Management Company (“PIMCO”) model portfolios are composed solely of their affiliated funds (PIMCO Funds). Developed and managed by PIMCO, they offer model portfolios geared toward producing income. PIMCO employs active management of asset class exposure, sector allocations, and security selection to manage risk and generate current income over a full market cycle. The portfolios exclusively use mutual funds managed by PIMCO to implement this

strategy. Each portfolio is available as a taxable model or tax-aware model.

- Capital Preservation
- Enhanced Core
- Income Focus

#### *Russell Investment Company*

Russell Investment Company portfolios are composed solely of their affiliated funds (Russell Funds). This is a strategic asset allocation strategy that uses a long-term approach to investing that mixes fundamental asset classes into a target portfolio. Because the Russell portfolios are constructed for long-term investors, short and intermediate term conditions are not a dominant factor in determining the allocations. The Russell portfolios are rebalanced on a semi-annual basis (typically March and September) to maintain the original balance.

The Russell investment philosophy is rooted in the belief that financial markets reward knowledgeable, disciplined investors. Based on a philosophy that over a long period of time active managers can add value, Russell selects teams of money managers to help meet clients' investment goals. Russell aims to reduce risk and provide benchmark-beating returns both collectively and over time.

- Tax Managed Conservative
- Tax Managed Moderate
- Tax Managed Balanced
- Tax Managed Growth
- Tax Managed Equity Growth

#### **Program Sponsor & Management Fee**

<b>Assets Under Management (Minimum Account \$50,000)</b>	<b>First \$100,000</b>	<b>Next \$400,000</b>	<b>Next \$500,000</b>	<b>Over \$1,000,000</b>
<b>Capital Analysts Program Sponsor &amp; Management Fee</b>	0.50%	0.45%	0.35%	0.25%

#### **Program Sponsor & Management Fee – New Fees Effective January 1, 2021**

<b>Assets Under Management (minimum account \$15,000)</b>	<b>First \$500,000</b>	<b>Next \$500,000</b>	<b>Next \$1,000,000</b>	<b>Over \$2,000,000</b>
<b>Capital Analysts Program Sponsor &amp; Management Fee*</b>	0.60% or \$150, whichever is greater	0.55%	0.50%	0.45%

\* The minimum annual Capital Analysts Program Sponsor & Management Fee is \$250.00 per year, assessed at \$62.50 per calendar quarter. For accounts sizes less than \$41,666, the client is paying an administrative fee in excess of the stated 0.60%, which could make the total annual fee paid by clients exceed 1.85%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

## **II. Your Financial Advisor's Services: Advisor Consulting, Advisor Managed Model Portfolios and Client Custom Portfolios**

Unless otherwise stated, your Advisor's fee is negotiable at the Advisor's sole discretion and to a maximum fee that is established by Capital Analysts. Advisor managed services and fees typically differ by Advisor, and the Advisor Fee can vary based on advisory services offered. Your Advisor will

share in all or a portion of the Advisor Fee based on their payout schedule with Capital Analysts. The maximum annual fee that your Advisor can charge ("Advisor Fee") for his/her services is 1.25% of the assets being advised or managed for accounts opened after July 1, 2020.

*For Accounts Custodied at Pershing LLC*

Advisor Managed Model Portfolios or Client Custom Portfolios accounts opened on Pershing after October 1, 2020 are offered as Wrap Fee Programs, meaning you pay one bundled fee to compensate Capital Analysts and your Advisor for their services and to pay the transaction and clearing costs associated with transactions in your advisory account. Effective January 1, 2021, Advisor Managed Model Portfolios and Client Custom Portfolios custodied at Pershing will no longer be offered as non-Wrap Fee Programs.

Capital Analysts assesses an annual Administrative Fee of 0.15% of assets or \$200, whichever is greater for accounts opened after October 1, 2020. The Administrative Fee of 0.15% will only be applicable if an account value is equal to or greater than \$133,333. For accounts sizes less than \$133,333, you will pay an Administrative Fee in excess of the stated 0.15%. This minimum annual fee will have a greater relative impact on the total fee paid by smaller accounts. A portion of the Administrative Fee will be shared with those Advisors who meet certain thresholds of total Advisor Managed Model and Client Custom Portfolios assets. The sharing of the Administrative Fee earned by Capital Analysts with your Advisor has no impact on the total client fee paid by you. The sharing of this Capital Analysts Administrative Fee with your Financial Advisor may result in your Financial Advisor receiving greater compensation than what is indicated in your Investment Management Agreement.

Your Advisor's role is to earn and maintain a relationship with you to provide you financial and life planning and consultation, as requested by you, as well as investment advice services which includes assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, conversing with you on an as-needed or as requested basis, to ensure that the investments and programs continue to meet your stated objectives and needs. Some advisors may also provide supplemental reports on a periodic basis to assist you in evaluating the effectiveness of the investments and advisory program(s). Capital Analysts Advisors may provide periodic non-discretionary investment advice to their clients, or certain Advisors provide ongoing discretionary management to their clients. The Advisor has the responsibility to select securities or make recommendations based on your needs and objectives, but if the advisor does not have written discretionary authority over your account, he/she cannot purchase or sell securities without first obtaining your approval. All advice is geared to meet the client's risk tolerance, income, any investment restrictions, and tax management objectives, if applicable. Advisor Managed Portfolios generally allocate to securities including, but not limited to, mutual funds, ETFs, ETNs, stocks, bonds and options.

For those Advisors who have been granted the authority to manage accounts on an ongoing discretionary basis, discretionary authority may be exercised using Model Portfolios, where your account is managed to the stated objectives of the portfolio, or custom managed, where your account is constructed and managed to meet your specific objectives (Client Custom Portfolios). Discretionary authority granted to Advisors may be limited or full. "Limited discretion" means that your Advisor has limited authority to select the time and/or price of the security to be purchased or sold, and/or if applicable to rebalance your account back to a pre-stated asset allocation of pre-selected securities. Limited Discretion, which has been granted to all advisors allows them, when necessary, to liquidate shares in one or more securities for the sole purpose of using proceeds to satisfy a shortfall in funds available for the deduction of the quarterly investment advisory fee. An Advisor with limited discretion does not have the authority to select new securities to be purchased in your account. The

final decision regarding any new security, whether to buy or sell, remains with the client in a Limited Discretion account. “Full discretion” means your Advisor may place any security transactions in your account without specific consultation with you or authorization by you prior to the transactions being entered. Your written investment advisory agreement will identify whether, and to what degree, you have granted your Advisor discretionary authority on your account.

Each Capital Analysts Advisor may follow a different investment discipline and may or may not establish a minimum investment amount. The fees charged by Advisors on Advisor Managed Model and Client Custom Portfolios will vary depending on the platform utilized and the individual Advisor. Most Capital Analysts Advisors manage or advise portfolios containing securities such as, but not limited to, mutual funds, ETFs, ETNs, stocks, bonds and options. Consult with your Advisor to learn more about the advisory services and fees he or she offers. Your Advisor’s education, licenses and professional designations are described in Form ADV Part 2B Brochure Supplement, a copy of which your Advisor will provide to you.

<b><i>Advisor Managed Model Portfolio and Client Custom Portfolio Offerings</i></b>			
<b>Advisory Offering</b>	<b>Minimum Investment</b>	<b>Investment Types</b>	<b>Custodian of Assets</b>
Advisor Consulting with Advisor Managed Model Portfolios and/or Client Custom Portfolios	Depends on platform and individual Advisor	Mutual funds only	Pershing LLC
Advisor Consulting with Advisor Managed Model Portfolios and/or Client Custom Portfolios	Depends on platform and individual Advisor	General Securities such as, but not limited to, mutual funds, stocks, bonds, ETFs, ETNs, options	Pershing LLC

### **III. Third Party Managed Model and Third Party Custom Portfolios**

#### ***CAAMS Select Manager***

For accounts opened after October 1, 2020, the CAAMS Select Manager Program is offered as a Wrap Fee Program, meaning you pay one bundled fee to compensate Capital Analysts and your Advisor for their services and to pay the transaction and clearing costs associated with transactions in your advisory account. Capital Analysts has existing clients in the CAAMS Select Manager Program that pay an investment advisory fee to the Advisor, a Management Fee to Capital Analysts, plus all ticket charges for the transactions that occur within their managed accounts. These non-Wrap Fee Program CAAMS Select Manager Programs are no longer offered to new clients. Existing clients should refer to their advisory agreement for a description of the fees paid by them.

For the CAAMS Select Program, Capital Analysts has entered into agreements with the Select Managers establishing the maximum Select Manager Fees that may be charged. The maximum annual advisory fee shown in the table below compensates the Select Manager, Capital Analysts, and your Advisor. The Select Manager Fee will generally range between 0.50% and 1.00% for equity

accounts and between 0.25% and 0.50% for fixed income accounts. The Select Manager Fee will be identified in your investment advisory agreement, which you should carefully review prior to signing. For accounts opened after October 1, 2020, there is a 0.15% annual Capital Analysts Administration Fee plus your Advisor's Fee, in addition to the Select Manager Fee.

In the CAAMS Select Program, the IM&R team will work with you and your Advisor to assist in the selection of one or more third party portfolio managers, called Select Managers, based on your investment objectives and risk tolerance. Capital Analysts relies on the expertise and management disciplines of these Select Managers when they are engaged to manage your assets to their stated discipline and risk level. Capital Analysts, however, retains the authority to terminate a Select Manager at any time. If a Select Manager is removed from Capital Analysts' offerings, Capital Analysts will notify you in writing, and allow you the opportunity to change Select Managers. You will enter into agreements with both Capital Analysts and the Select Manager you choose to provide asset management services. Only the Select Manager exercises discretionary authority to determine the securities to be purchased and sold in your CAAMS Select account. Neither Capital Analysts nor your Advisor has trading authority with respect to your CAAMS Select account. Clearing and custody services are provided by Pershing LLC. Select Managers have account minimum requirements that will vary. A list of Select Managers is shown below. A complete description of each Select Manager's services, fee schedules, and account minimums will be disclosed in the Select Manager's respective Forms ADV 2A, Wrap Brochures, or similar disclosure brochures provided to you at or before the time your Capital Analysts agreement is executed and the account is established.

<b>CAAMS Select Managers</b>			
<b>Select Manager</b>	<b>Minimum Investment</b>	<b>Max. Annual Fee to Client</b>	<b>Investment Discipline(s)</b>
First Fiduciary Investment Counsel	\$200,000	2.14%	Large-cap domestic equity
Fort Washington Investment Advisors	\$1,000,000	1.99%	Domestic fixed income Focused Equity
Franklin Templeton Investments	\$250,000	1.89%	Fixed Income-Intermediate
The Haverford Trust Company	\$250,000	2.14%	Large-cap domestic equity, balanced
Headwaters Investment Counsel LLC	\$100,000	2.05%	Large-cap blend, dividend growth
One Capital Management LLC	\$500,000	2.29%	Large-cap domestic equity, balanced
RNC-Genter Capital Management	\$250,000	1.94%	Domestic fixed income
SeaCap Investment Advisors	\$300,000	1.99%	Domestic fixed income
The Pennsylvania Trust Company	\$500,000	2.14%	Multi-cap domestic equity
Thornburg Investment Management	\$250,000	2.14%	Large-cap domestic equity, domestic fixed income
Todd-Veredus Asset Management	\$500,000	2.14%	Large-cap domestic equity
Uniplan Investment Counsel	\$100,000	2.14%	Real estate investment trusts (REITs)

<b>CAAMS Select Managers</b>			
<b>Select Manager</b>	<b>Minimum Investment</b>	<b>Max. Annual Fee to Client</b>	<b>Investment Discipline(s)</b>
Wright Investors' Service, Inc.	\$500,000	1.90%	Large Cap Core Equity, Dividend Income

Each Select Manager sets its own investment management fee, which generally ranges between 0.50% - 1.00% for equity accounts and 0.25% - 0.50% for fixed income accounts, although some Select Managers may assess fees that are higher or lower. Each Select Manager's current fees are listed in its Form ADV 2A and/or Form ADV 2A & Appendix I, which your Advisor should provide you.

### **Additional Information Regarding Wrap Program Fees**

The Wrap Fee Programs described above may cost more or less than if you were to purchase such services separately. Certain factors, such as trading frequency can impact the cost effectiveness of a Wrap Fee Program. Generally, in an account where there is infrequent trading, a regular brokerage account incurring commissions along with the separate purchase of such investment advice for a fee may be less expensive. Your Advisor shares only in the portion of the Wrap Fee that is identified as the Advisor Fee.

Capital Analysts has existing clients in the CAAMS Stock and CAAMS ETF programs that pay an investment advisory fee to the Advisor, a Management Fee to Capital Analysts, plus all ticket charges for the transactions that occur within their managed accounts. These non-Wrap Fee Program CAAMS Stock and CAAMS ETF Programs are no longer offered to new clients. Existing clients should refer to their advisory agreement for a description of the fees paid by them. In addition, some existing CAAMS Wrap Fee Program and non-Wrap Fee Program clients are assessed fees quarterly in arrears; these arrangements are no longer offered to new clients. Capital Analysts offers fee schedules that vary by platform, program and the size of the assets in your advisory account. Your fee schedule will be reflected in your Capital Analysts Investment Management Agreement. Your Advisor can provide you with more detail about how your fee is calculated.

You are responsible to notify your Advisor of any changes in your financial situation or investment objectives or to give any investment restrictions that you wish to impose so that your Advisor can suggest the appropriate advisory service for you. If you wish to impose investment restrictions, Capital Analysts' programs may not be the appropriate advisory service for you as they may not be able to accommodate your investment restrictions.

For all CAAMS Wrap Fee Programs, fees are billed on a quarterly basis. In your investment management agreement, you give Capital Analysts authorization to instruct the account custodian, Pershing LLC, to directly debit fees owed to Capital Analysts from your account. Fees may be deducted from cash holdings or by liquidating assets held in the account at the discretion of Capital Analysts or your Advisor. Fees are assessed in advance or arrears, as indicated in your agreement with Capital Analysts, and are based on the market value of all assets held within the account (including cash and cash equivalents) on the last business day of the calendar quarter. Accounts opened during a calendar quarter will be charged a prorated fee based on the number of calendar days left in the quarter. For advisory services terminated during the calendar quarter, any prepaid, unearned fees will be refunded on a pro-rata basis, and any earned, unpaid fees will be due and payable on a pro-rata basis. Advisory fees may be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Some existing clients are assessed fees quarterly in arrears of services rendered. Fees assessed in arrears are no longer offered to new clients. In general, a client may terminate Capital Analysts advisory services at any time upon written notice to us. The death of a client also constitutes termination of any agreement with Capital Analysts, though an executor or other authorized representative may choose to continue services under a new or modified agreement.

Accounts initiated during a calendar quarter will be charged a prorated fee based on the number of calendar days left in the quarter. For advisory services terminated during the calendar quarter, any prepaid, unearned fees will be refunded on a *pro rata* basis, and any earned, unpaid fees will be due and payable on a *pro rata* basis. Advisory fees may be prorated for each capital contribution and withdrawal of \$1,000 or more made during the applicable calendar quarter. Account fees and/or method of calculation may be changed with thirty days written notice to you by Capital Analysts.

In general, a client may terminate Capital Analysts' or its Advisor's advisory services at any time upon written notice to us. The death of an investor also constitutes termination of any agreement with Capital Analysts, though an executor or other authorized representative may choose to continue services under a new or modified agreement. Unearned fees will be refunded to clients on a *pro rata* basis for asset management services. Capital Analysts will not refund unearned Fees that total less than \$5.00.

Capital Analysts may offer employees, its Advisors, and family members a discount or waiver of Wrap Fee Program fees. Threshold levels for initial and interim billing for deposits and withdrawals can vary based on platform and program.

### **Other Fees in Wrap Fee Accounts**

The Wrap Fee will cover the advice provided to you and all trading and clearing costs associated with transactions in the account, including ticket charges, surcharge fees for certain no-load and load-waived funds, and confirmation fees. You will, however, be responsible for other account service fees that may be imposed by Pershing LLC, such as: IRA Custody and Termination, wire transfer and electronic fund fees, statement delivery charges and any expenses of the underlying investments in your account. For information on the fees applicable to accounts held at Pershing LLC, please refer to the *Lincoln Investment Platform Fees and Disclosures -Accounts Held at Pershing* or ask your Advisor.

### **Other Costs That You May Incur**

Total advisory fees paid and other costs associated with your portfolio impact the overall performance of your portfolio. It is important to review these costs when making your advisory and investment decisions. Costs may include the following:

1. **Mutual Fund 12b-1 Distribution Fees.** An expense within some mutual fund share class offerings is a Mutual Fund Distribution Fee, also called a 12b-1 Fee, which is paid to your broker-dealer. Pershing would typically pass this revenue through to Lincoln Investment as the introducing broker-dealer. To mitigate this financial conflict to Capital Analysts, as an affiliate of Lincoln, we have instructed Pershing LLC to refund directly back to your Pershing account the 12b-1 fees received that are related to your advisory account assets. You may still incur a 12b-1 fee expense for any portion of the 12b-1 fee expense that the fund does not share with Pershing LLC. This refunding of 12b -1 fees associated with your advisory account assets will also reduce the expense to you associated with purchasing a mutual fund share class which includes a 12b-1 fee expense.
2. **Internal Expenses.** Internal management fees, other fund charges or other expenses charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds and annuity companies charge a fee for the management and operations of their offerings. Higher internal expenses can adversely affect the long-term performance of your portfolio when compared to share classes of the same fund that assess lower internal expenses. For more complete information regarding the internal expenses of an investment and how they impact your costs and performance, you should read "*Understanding Share Classes within your Investment Advisory Accounts*" below.

3. **Platform Fees.** Capital Analysts offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees, such as commissions, wire fees, trade-away fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees.
4. **Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. Ticket charges may also be imposed if certain fund minimums are not met. This could affect you or your investment adviser's ability to properly manage your portfolio as these costs will impact the performance of your portfolio or may be an incentive not to trade. Capital Analysts' decision to reallocate your account assets may result in you incurring a redemption fee imposed by one or more mutual funds held in your account.
5. **Variable Annuity Rider and Contract Costs.** These costs may include, but are not limited to, annual base annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.
6. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other mutual fund purchases. You should consult the fund's prospectus for the product sponsor's specific rules.
7. **Retirement Plan Rollovers.** If you decide to roll assets out of a retirement plan, such as a 401(k) plan, into an individual retirement account ("IRA"), we have a financial incentive to recommend that you invest those assets with us because we will be paid an advisory fee on those assets, and other compensation. You should be aware that such fees would likely be higher than those you would pay through the plan, and there can be custodial and other maintenance fees, as described above. As securities held in a retirement plan are generally not transferred to an IRA, commissions and sales charges may be charged when liquidating such securities prior to the transfer, in addition to commissions and sales charges previously paid on transactions in the plan. For more information about rollovers, see The Lincoln Investment Companies Investor Agreement and Disclosure Handbook.

You may incur additional charges imposed by custodians, broker-dealers, investment and insurance companies and other third parties, such as transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. Such charges and fees are exclusive of and in addition to Capital Analysts fee. You shall be responsible for payment of any and all taxes that may be due as a result of any transactions in your account.

### **Other Compensation to Capital Analysts and Our Conflicts of Interest**

Capital Analysts recognizes its fiduciary responsibility to place your interests above ours and that other compensation received by us, or an affiliate, from other sources presents a conflict of interest and could be looked upon by you as an incentive for us to recommend investment products or advisory services based on compensation rather than on your financial needs. Below is a description of conflicts of interest that we have identified in the conduct of our business that we believe could be material. With many of these conflicts, we have taken steps to mitigate or reduce the conflict.

### **Understanding Share Classes in Capital Analysts Advisory Accounts**

Mutual funds are common investments for individuals. A mutual fund pools money from many investors and invests the money in securities or other assets. A mutual fund has various expenses that are paid from



fund assets. These internal expenses are reflected in the fund's "expense ratio." Such expenses include fees paid to the adviser that manages the fund, operational expenses, and fees paid to the brokers that sell shares of, and provide services to, the fund. These are ongoing fees and expenses charged throughout the life of the mutual fund investment. Fees and expenses are an important consideration in selecting a mutual fund because these charges lower an investor's returns.

A mutual fund frequently offers investors different "share classes." Each class will invest in the same "pool" or portfolio of securities and other assets, but each class will have different fees and expenses and, therefore, different returns. For example, some share classes have higher expense ratios because they pay brokers more for selling or servicing that particular share class. In contrast, other share classes of the same fund may have lower internal fees and expenses. A single mutual fund will often have share classes with different expense ratios, with the share classes that have higher expense ratios generally having lower returns than share classes with lower expense ratios. In other words, an individual investor may pay more, or less, for precisely the same mutual fund investment, depending on the share class. These internal fees and expenses are in addition to any fees a broker may directly charge customers on particular share classes, such as transaction fees at the time of buying or selling the fund shares and are in addition to the investment advisory fee you will pay.

The expense ratio of a fund is disclosed in the fund's prospectus and annual reports and generally reflects the annual operating costs of the fund, assessed as a percentage of a fund's average assets. The expense ratio within a mutual fund share class can fluctuate from what is shown in a prospectus for the fund offering and annual report and can vary over time and from year to year. A fund that was deemed to have a lower expense ratio at the time of purchase may not actually maintain that expense ratio during the time that the fund is held and new fund share classes may become available with different expense ratios.

Capital Analysts looks at the "Prospectus Net Expense Ratio" as provided by Morningstar, a third party data provider, for each mutual fund share class to determine the least expensive eligible share class. The Prospectus Net Expense Ratio is a fund's stated total annual operating expense percentage after any contractual fee waivers or other expense reimbursements to the fund.

### **Capital Analysts' Share Class Selection Policy for Advisory Accounts**

Capital Analysts is amending its mutual fund share class policy starting October 2020 and will begin implementing changes in mutual fund share class during the fourth quarter of 2020 and the first quarter of 2021. This share class selection policy applies to your advisory assets that are custodied at Pershing LLC and for which Capital Analysts and/or your financial professional initiate the trade and is described below.

Although you are purchasing at net asset value of the fund, there are internal expenses built into every mutual fund that can impact the performance of your investment over time. Regardless of whether you have selected a discretionary asset management program or a non-discretionary advisory program, share class selection for your mutual fund purchases within your advisory account will be determined by Capital Analysts. Share class expenses can vary across different share classes of the same fund. In furtherance of its fiduciary duty to advisory clients, Capital Analysts will seek to select the least expensive share class available at Pershing LLC for the selected mutual fund for which all of our retail advisory accounts will be eligible. For purposes of this policy, the least expensive share class is defined as the share class of a mutual fund that has the lowest prospectus net expense ratio as published by Morningstar, subject to the share classes' investment minimums being appropriate for all of our retail advisory investors, obtaining investment minimum waivers where they are available, and selecting a share class that is available to all investors regardless of account tax type. Capital Analysts will also consider various other factors when considering share class conversions in your advisory accounts, including but

not limited to, whether the fund will allow tax-free conversions, as well as whether there is a ten basis point (0.10%) or greater difference in the expense ratio between the existing share class and the new, proposed share class. The fund share class used in an IM&R discretionary managed Model Portfolio can be different than for other Capital Analysts non-discretionary advised accounts, as a fund minimum waiver may be available for discretionary IM&R Managed Model Portfolios but not for non-discretionary advisory accounts. Most mutual funds offer varying share classes but all custodians may not make all share classes of a mutual fund available; therefore, the designated share class selected by Capital Analysts will likely vary across custodial platforms.

If the fund and share class selected includes a 12b-1 fee, Pershing LLC continues to be instructed on our behalf to credit back to your advisory account any 12b-1 fee revenue received by the firm on behalf of your advisory assets held at Pershing LLC to eliminate the conflict of interest associated with the receipt of such revenue.

Capital Analysts will review available mutual fund share classes on a quarterly basis to identify those mutual funds where there has been a prospectus update or a new share class has been made available by the fund in the prior quarter. If it is determined that a lower cost share class is available and meets our policy criteria as described above, Capital Analysts will initiate a share class conversion for all mutual fund investments in a higher expense share class to that lower expense share class. Share class conversions will appear on your account statements. The ability and length of time to effect a share class conversion will vary and is subject to prospectus requirements and custodial platform approval. If you transfer-in shares of a mutual fund into a non-discretionary advisory account that are in a share class that is less expensive than the share class available to our advisory accounts, Capital Analysts will not convert your mutual fund position held in a lower expense share class of the same fund to a more expensive share class of the same fund. However, Capital Analysts may restrict additional purchases of that share class. Capital Analysts can also convert the grandfathered share class during a subsequent periodic review.

Until all mutual funds have been converted to the least expensive share class, you should not assume that you are or will be invested in the least expensive share class available, and the share class of a mutual fund offered by Capital Analysts can have higher expenses, and therefore lower returns during the conversion transition period.

Information about the mutual funds and share classes that are available through your account, including their investment policies, restrictions, charges, and expenses, is contained in the mutual funds' prospectuses. You should read these prospectuses carefully.

### **Third Party Payments from Pershing LLC**

**Pershing Revenue Sharing and Expense Credit with Lincoln Investment; Money Market and Cash Deposit Fees.** For advisory accounts held on Pershing LLC's platform, Pershing provides a credit against expenses to Lincoln Investment, as introducing broker-dealer, based on the total asset value of all accounts maintained on the Pershing platform and based on the total number of investor accounts on Pershing, pursuant to a written agreement with Pershing LLC. This revenue does not vary with respect to the investment choices/recommendations made in your Pershing account. Lincoln does not refund or offset this revenue sharing against advisory fees paid by clients whose advisory assets are on Pershing. Additionally, Pershing LLC shares revenue with Lincoln Investment through a portion of the Shareholder Service Fee paid by Federated Funds on the Federated Money Market Cash Sweep Options, and a portion of the gross interest rate yield from the Interlink and Dreyfus Bank Cash Deposit Sweep Options that are available to you for investment through us. This revenue compensates Lincoln for the administrative expenses of assisting in the establishment and administration of these money market and cash deposit accounts. Other financial services firms and third parties could offer the same or similar money market sweep options and cash deposit sweep options at a lower overall

cost to the investor than is available through your Capital Analysts account or you could invest directly with the product provider. Overall, the annual revenue and credits received by Lincoln Investment represents approximately 0.02% of additional compensation based on total Capital Analysts assets on Pershing. For example, this means that if you pay Capital Analysts an annual advisory fee of 1.00% on advisory assets, our affiliate, Lincoln Investment, is earning approximately 0.02% on your assets for total compensation to all affiliated parties of approximately 1.02%. This revenue represents less than one-half of 1.00% of the revenues of Lincoln Investment. We do not believe this revenue is material to Capital Analysts or its affiliate, Lincoln Investment. This revenue is not shared with Capital Analysts or your Advisor. Your Advisor has the ability to waive the advisory fee on all Cash Sweep Options, should you request it. The receipt of revenue sharing with Pershing and expense credits by Pershing creates a conflict of interest to Capital Analysts to use Pershing as a custodian over other custodians that do not share these fees, do not provide expense credits or that would share lesser amounts.

**Pershing Margin Participation.** For advisory and brokerage accounts held on Pershing's platform, Pershing shares a portion of the interest that you pay on margin with Capital Analysts' affiliate, Lincoln Investment, as introducing broker-dealer, pursuant to a written agreement with Pershing LLC. The receipt of revenue sharing with Pershing creates a conflict of interest to Capital Analysts to use Pershing as custodian over other custodians that do not share these fees. Capital Analysts mitigates this conflict by disclosing it to you and by not sharing them with your Advisor.

**Trading and Account Service Fees.** Lincoln Investment establishes brokerage commission schedules for its advisory and brokerage accounts. For these accounts held on Pershing's platform, Pershing charges trading and account service fees. Lincoln Investment, as introducing broker-dealer, has added a mark-up that ranges from 0% to 400% on Pershing's fees. These trading and account service fees are identified in the *Lincoln Investment Platform Fees and Disclosures - Accounts Held at Pershing*. The receipt of these fees creates a conflict of interest for Lincoln Investment and its affiliate, Capital Analysts, since it creates an incentive for Lincoln Investment and Capital Analysts to continue to use Pershing in order to receive these fees. We mitigate this conflict by disclosing it to you and by not sharing the mark-ups with your Advisor.

**Sales & Marketing Support Revenue paid to Lincoln Investment that is not tied to the Platform Where Your Advisory Assets are Held, or Tied to the Underlying Assets or Transactions in which You Invest**

Lincoln Investment, as the broker-dealer affiliate of Capital Analysts, receives Sales and Marketing Support as described below and includes Flat Fee Sponsors, Other Sales Support and Asset and Sales Based Sponsors (collectively, "Sales and Marketing Support"). In order to minimize Capital Analysts' conflicts associated with the receipt of these fees by its affiliate, Lincoln Investment does not receive Flat Fee Sponsor and Other Sales Support payments that are based on the amount of advisory account assets or advisory account transactions with a particular sponsor, or that are based on ERISA account assets. However, Flat Fee and Other Sales Support Sponsors can compensate us from assets of the mutual fund, the fund's investment manager, distributor or other fund affiliate's assets. While payments out of the fund's investment adviser, distributor or other fund affiliate's revenues or profits are not directly paid from the fund's assets, fund affiliate revenues or profits can, in part, be derived from fees earned for services provided to and paid for by the fund. Payments out of fund assets can lower investor returns and performance over time. Lincoln Investment can also receive Shareholder Services Fees from the same fund families and investment advisers that provides Sales and Marketing Support, and Shareholder Services Fees are in addition to the payment of Sales and Marketing Support fees. These sources of payments are a conflict of interest to Capital Analysts to recommend and promote those fund families

over other fund families that do not provide Sales and Marketing Support or that provide lower amounts of Sales and Marketing Support.

**Flat Fee Sponsors.** Lincoln Investment, Capital Analysts affiliate broker-dealer, has partnered with a select group of third party money managers and product sponsors who pay to assist Lincoln Investment in the training and education of Advisors at firm sponsored events, on such topics as advisory products and services, practice management, tools and technology, consumer education, and policies, rules and regulations. These sponsors provide financial support to Lincoln Investment in the form of a flat-dollar amount that may be amended annually and is not based on the sales of their proprietary products or services. Sponsors can compensate Lincoln Investment from fund assets, the fund's investment manager, distributor or other affiliate's assets. Payments made to broker-dealers out of fund assets can lower investor returns and performance over time. Advisors do not share in any portion of these payments so as to mitigate any conflict for an Advisor to recommend one product or money manager over another. This financial support allows Lincoln Investment to defray or offset costs associated with firm sponsored events and other educational and outreach tools and services. The financial support by these Sponsors to Lincoln Investment and as allocated to Capital Analysts presents a conflict of interest to Lincoln Investment and Capital Analysts.

All Flat Fee Sponsors do not pay Lincoln Investment the same amount, and depending on the amount of the payment from the Flat Fee Sponsor, the access to Lincoln Investment sponsored events may differ. For example, Lincoln Investment holds a number of sales conferences both nationally and regionally throughout the year to educate advisors. The higher the annual flat fee payment, the more events the Flat Fee Sponsor will be invited to attend. Flat Fee Sponsors have more opportunities than other product sponsors and money managers that are not Flat Fee Sponsors to market to and educate Advisors which could pose a conflict to Advisors to offer these sponsors products or services over others. Advisors do not share in any portion of these payments so as to mitigate any such conflict.

In 2019, the financial support from Flat Fee Sponsors paid to Lincoln Investment, as allocated by assets across all investment advisory assets with Lincoln Investment Planning, LLC and Capital Analysts, LLC did not exceed 1.5% of total revenue for either of the affiliated registered investment advisers and in aggregate was less than one percent of the combined revenue for both affiliated registered investment advisers. We do not believe that these revenues are material. In 2019, Flat Fee Sponsors who compensated Lincoln Investment with a flat fee payment, and offer a fund or advisory program that could be used in your advisory programs, in order from highest to lowest payment were Russell Investments, Meeder Funds, ICON Funds, CLS Investments, JPMorgan Funds, American Funds, Franklin Templeton Group, Clark Capital Management, Lord Abbett, StoneCastle, Security Benefit Life, Prudential, DoubleLine Funds, Federated Investors Funds, Putnam Investments, and Invesco Investment Services. StoneCastle is the administrator for the bank deposit products offered on Pershing (Interlink Insured Deposit Program) and Solutions Premier (Solutions Federally Insured Cash Deposit Program).

**Other Sales Support.** From time to time, product sponsors and third money managers may assist Advisors in their sales and marketing efforts by subsidizing certain Advisor costs, such as client meetings or workshops, mailings, administrative expenses and technology support. The amount of support is approved by Lincoln Investment and is monitored to ensure that it is not too frequent or excessive. Also, Advisors are invited from time-to-time by product sponsors to due diligence and educational meetings or seminars hosted by the product sponsor or money manager. Lincoln Investment must grant permission to our Advisors to attend any meeting or seminar hosted by a product or advisory service sponsor. Lincoln Investment approves events that are limited to education or due diligence only and allows the product sponsor to provide meals, hotel accommodations and reimbursement to the Advisor, through Lincoln, for travel expenses only. These events represent a nominal portion of revenue that may be received from product sponsors. The education of our

Advisors in the offerings that are available to them is a key component of providing prudent investment advice to you. This could be deemed a conflict of interest that will incentivize the advisor to offer one product or money manager over another. This support is not based on client assets or transaction sales.

**Ancillary Sales & Marketing Support Revenue paid to Lincoln Investment that is not tied to your Advisory assets, or the Platform Where Your Advisory Assets are Held, but is tied to the Non-Advisory Assets or Transactions in which You May Invest**

**Asset and Sales Based Sponsors.** In connection with non-investment advisory (non-fee-based) assets of our investors, and in addition to the compensation described above, Lincoln Investment receives Sales and Marketing support from product sponsors, mutual fund companies, insurance companies and other third party providers to assist in the marketing and sales efforts of employees and Advisors (“Asset and Sales Based Sponsors”). The support provided by these sponsors is based on brokerage-only (non-investment advisory) assets and brokerage transactions and not based on your advisory account assets or ERISA assets. Lincoln Investment receives compensation from these sponsors in various forms, including as a flat fee, a percentage of the amount of brokerage assets held by investors, a percentage of sales, or any combination of these methods. The amounts of these payments can vary by the type of product and by provider and can include, but are not limited to, distribution fees and shareholder service fees. In some cases, Asset and Sales Based Sponsors pay additional marketing payments to Lincoln Investment to cover fees to attend conferences. Additionally, some Asset and Sales Based Sponsors make a monthly or quarterly payment or additional monthly or quarterly payment based on the assets you hold in a fund or variable insurance product over a period of time. As you may have both a brokerage account and an advisory account with us, we want you to understand that Lincoln Investment will receive Sales and Marketing Support based on assets or sales in connection with your brokerage account assets and transactions. As Lincoln Investment may be financially incentivized to recommend Asset and Sales Based Sponsors that provide sales and marketing support over others that do not, this is a conflict of interest.

The following is a list of Asset and Sales Based Sponsors in order of high to low total compensation paid to Lincoln Investment as broker-dealer based on non-fee based account assets or sales. The Asset and Sales based Compensation in 2019 was less than \$2.5 million dollars from these product sponsors and represented less than one percent of the total revenues of Lincoln Investment. We are disclosing this information to you as the providers and products offered by the providers shown below may also be available within our investment advisory offerings.

Security Benefit Life
Invesco Investment Services
Franklin Templeton Group
Jackson National Life Ins Co
Lincoln National Life
Brighthouse Financial
Prudential Annuities Life
AXA Equitable Life Insurance Company
Voya Mutual Funds
Mewbourne Development Corporation
Inland Group
Bluerock

Columbus Life Insurance Company
Federated Investors Funds
Great American Life Ins Co

Pershing LLC, as clearing firm for accounts introduced by Lincoln, shares with the firm a nominal amount of asset based revenue it receives from certain mutual fund companies in non-advisory accounts. As the revenue received from Pershing is non-advisory related and not material, Lincoln Investment is disclosing the conflict that we receive this revenue rather than list each mutual fund product that generated the compensation to the firm.

## Other Conflicts

**Ongoing Fiduciary Conflicts.** Capital Analysts has a supervisory duty to periodically monitor clients' portfolios to ensure suitability of investments and to ensure that the advisory services are being performed in recognition of our fiduciary duty to you, which includes acting in your best interest. A conflict of interest exists if an Advisor is assessing an advisory fee but no services are being performed. Supervision is performed over accounts and Advisors to monitor for activities that could be deemed a breach of our fiduciary duty to you, including such periodic reviews as accounts where there is no documentation of services being performed and accounts with uninvested cash balances over a 12-month period of time with no rationale for holding such a large cash position in an advisory account. In an advisory relationship, our fiduciary relationship will be most successful if both the client and the Advisor partner to ensure that there is regular and meaningful contact and that the advisory account continues to meet the needs of the client.

**Affiliates Other Businesses.** Capital Analysts' principal business is as an investment adviser. The majority of Capital Analysts revenue comes from the advisory fees we collect from you. Capital Analysts' affiliated broker-dealer, Lincoln Investment, also receives compensation from its brokerage business. This compensation comes from securities and insurance product commissions and mutual fund concessions, 12b-1 distribution fees associated with the sale of mutual funds, shareholder service fees, trailing commissions from annuity sales, and persistency bonuses on insurance and other sources. You always have the option to purchase advisory services, securities products or insurance through non-affiliated investment advisers, brokers or agents. Capital Analysts is also affiliated with Lincoln Investment Planning, LLC, an SEC registered investment adviser, and promotes the services of this investment adviser.

**Your Advisor's Other Businesses.** Your Advisor may have more than one relationship with you – one as an Advisor over an advisory account and one as a Registered Representative/Agent of Lincoln Investment over a non-advisory account where he or she may receive a sales commission for the sale of securities or insurance products which would be in addition to any advisory fees earned on your advisory assets. In these situations, our Advisor may have greater financial incentives to offer you both investment and/or insurance sales as well as advisory services.

Your Advisor may also be associated with Capital Analysts' affiliated investment adviser, Lincoln Investment Planning, LLC. This affiliated relationship presents a conflict of interest. Through his or her affiliation with Capital Analysts and possibly with Lincoln Investment, your Advisor may be in a position where he or she can offer the same or similar advisory services to you for different fees and compensation structures. If an identical Sub-Advisor or strategy is available through two affiliated registered investment advisers, you may pay higher fees for an advisory service that is similarly offered through another affiliated investment adviser. You always have the option to purchase

advisory services, securities products or insurance through non-affiliated investment advisers, brokers or agents.

Capital Analysts pays out to each Advisor a contracted percentage of the Advisor's fee. This percentage varies by Advisor based on such variables as Advisor experience, type of contract the Advisor has with the firm, amount of investor assets with the firm, and the amount of investor assets invested in the Asset Management Programs managed by the IM&R Team. This creates a conflict of interest for Advisors to recommend Capital Analysts offerings over other third party advisory offerings. Most of Lincoln's Advisors are independent contractors who may also offer other non-security financial services and products, such as life, health, disability, long term care and fixed annuity insurance products, and real estate. These services may be offered independent of The Lincoln Investment Companies.

**Sales Incentives.** Capital Analysts offers sales contests that may provide additional incentives to your Advisor to offer advisory services managed by the IM&R Team over third party advisory services. Capital Analysts offers sales contests based on such criteria as gross compensation to the Advisor, new accounts, and net sales of advisory programs. These contests may provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services and advisory services managed by the IM&R Team over third party advisory services. Top achievers in these contests may receive firm sponsored trips, cash prizes, bonus commissions, club points, monetary donations in their name to a charity of their choice or other nominal prizes. No contest is offered which will award the Advisor based upon a specific investment product or on a specific product sponsor. In our capacity as an investment adviser, Capital Analysts and its Advisor recognize they have a fiduciary duty to investment advisory clients. You should ask your Advisor about these incentives at the time of sale.

**Endorsements.** From time-to-time, Lincoln Investment makes lump-sum payments to education-based associations and not-for-profit organizations with a large constituency of employees who are eligible to invest in 403(b) retirement plans (Associations). In some cases, Lincoln Investment voluntarily makes such payments to reimburse the Associations for certain marketing expenses (e.g., newsletter advertisements) in connection with Lincoln's products and services. Certain Associations require Lincoln Investment to reimburse them for (1) marketing expenses; (2) use of their facilities used to meet with their employees; (3) to obtain their explicit endorsement; or (4) to cover their administrative costs for the processing of payroll contributions.

**Loans and Advances.** On occasion, Lincoln Investment may extend a loan, provide a commission advance, or pay for practice management services for an advisor to assist an advisor in transitioning to the firm and/or running his or her business. Sometimes these loans or advances may be waived, in whole or in part, if certain sales or assets under management thresholds are met or certain practice management goals or conditions are met. In situations where a sales, assets under management threshold or other financial contingency exists, this conflict of interest will be disclosed in the Advisor's Form ADV 2B, which is required to be delivered by the Advisor to every client. Lincoln Investment supervises Advisors who have these arrangements to ensure that all advice is suitable to the client.

**Gifts and Entertainment.** Offering or receiving a gift or entertainment from a product or advisory service sponsor could create a conflict of interest. Lincoln Investment has instituted a policy that prohibits excessive and/or too frequent gifts or entertainment activities to mitigate this conflict.

**Political Contributions.** Providing significant political contributions to a state or local official or candidate could create the perception that Capital Analysts or its Advisors are seeking *quid pro quo*

arrangements with that state or local government or its employees to open an account with our firm. Lincoln prohibits contributions in excess of \$350 per election if the Advisor can vote for the candidate and \$150 per election if the Advisor cannot vote for the candidate.

**Charitable Donations.** Providing significant charitable donations to a charity organization could create the perception that Capital Analysts or its Advisors are seeking *quid pro quo* arrangements with that charity or its employees to open an account with our firm. Lincoln allows contributions to charities, but prohibits any donations that are deemed excessive or too frequent.

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

### **Types of Clients**

Capital Analysts primarily serves individuals, high net worth individuals, trusts, institutions, foundations, businesses, and charitable organizations as well as the retirement assets of individuals and businesses, individual retirement accounts (IRAs) and employer sponsored ERISA plans. We also offer our institutional investment advisory services to third party investment advisers and trust companies. Clients may open qualified and non-qualified accounts with Capital Analysts. Not all investors and plans, including retirement plans, are eligible to invest in one or more of Capital Analysts advisory programs. Please consult with your Advisor or your employer to determine if your assets are eligible to invest.

### **Account Requirements**

Capital Analysts imposes a minimum dollar value of assets for its Capital Analysts Managed Program accounts as described below. These minimum account requirements may be waived at our sole discretion. Other Wrap Fee Programs, such as CAAMS Select and Advisor Managed Model or Client Custom Portfolios available on Pershing have minimums that vary by third-party money manager and Advisor, respectively.

<b>Capital Analysts Managed Program Name</b>	<b>Minimum Investment</b>
CAAMS Complete (including Alternatives and Yield)	\$50,000
CAAMS Custom Income Strategies	\$250,000
CAAMS AssetBuilder	\$15,000
CAAMS ETF	\$50,000
CAAMS Stock	\$100,000
CAAMS UMA	\$100,000
CAAMS Strategists	\$50,000

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

All Capital Analysts Managed Programs are managed with discretion by the Investment Management & Research (IM&R) team. See the *Methods of Analysis, Investment Strategies and Risk of Loss* section below for more information about how the team manages the Capital Analysts Managed Wrap Fee Programs, including the selection of portfolio managers for the Strategists programs.

### **Other Advisory Business**



Capital Analysts offers the following additional investment advisory services for a fee. A description of each service is provided in Capital Analysts' Form ADV 2A Brochure, a copy of which accompanies this Brochure.

1. Capital Analysts Managed Programs (Non-Wrap Programs)
2. Advisor Managed Model and Client Custom Portfolios (Non-Wrap Programs)
3. Third Party Managed Model and Custom Portfolios (Non-Wrap Programs)
4. Periodic Investment Consulting
5. ERISA Retirement Plan Advice

### **Performance-Based Fees and Side-by-Side Management**

Capital Analysts and our Advisors do not receive performance based fees. A performance based fee is an advisory fee that compensates the Advisor for the Advisor's success in managing a client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance based fee may induce an advisor to take greater and undue risks with client's funds in an attempt to generate higher compensation to the advisor.

Your Advisory Fees with Capital Analysts are typically assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

### **Method of Analysis, Investment Strategies and Risk of Loss**

The IM&R team meets regularly to review current holdings and market conditions, make changes as appropriate, and ensure that the investment philosophy is consistently applied to each model portfolio. The management of all CAAMS Wrap Fee Programs includes investment selection and monitoring, portfolio construction, and portfolio rebalancing and realignment in accordance with the investment objectives of the managed model portfolio.

Investment strategies include both long-term solutions and short-term strategies, where appropriate, that coordinate with either the client's stated objectives (when managing a custom portfolio) or the objectives of the model portfolio (when managing the model to a stated objective.) Our goal is to manage the portfolio with the appropriate asset mix to optimize portfolio return within the given level of risk tolerance. Option writing may be used from time to time.

The investment management strategies of the CAAMS Wrap Fee Programs differ by Program and by model or custom portfolio, and can be strategic or involve tactical overlays. Investing in securities involves risk of loss that you, the investor, should be prepared to bear.

The primary objective of most advisory services and advice offered by Capital Analysts and its Advisors is to provide to you a risk-appropriate diversified portfolio. A risk-appropriate diversified portfolio applies the disciplines and theories of asset allocation. Asset allocation means, first and foremost, working to design a portfolio that sufficiently allocates your assets across different asset classes to help reduce the exposure to any single asset class and market loss you could incur in your account(s) if you didn't diversify. It is important to understand that asset allocation, although a proven method to reduce risk to a portfolio does not guarantee a profit or protect against loss.

Asset classes include, but are not limited to, domestic and international equities, domestic and international bonds, cash and cash equivalents, as well as alternative investment types such as real estate and commodities. Equities can be further broken down by market capitalization (company size based on annual revenues) ranging from large companies (large-cap) to medium and small companies (medium-

and small-cap). Bonds, meanwhile, can be further broken down by issuer type – such as corporate, municipal, and government – and by duration, ranging from short term to long.

The IM&R team, once it establishes an asset allocation model portfolio, may periodically re-balance the account back to any stated asset allocation.

The asset classes used by the IM&R team in implementing the methods of analysis and investment strategies described above carry material risks.

- **Cash & Cash Equivalents:** Capital Analysts may invest a portion of your assets in cash or cash equivalents to achieve a model portfolio's objective, provide ongoing distributions and/or take a defensive position. Cash holdings may result in a loss of market exposure.
- **Equities:** The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You can receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment will cause a more significant loss. Diversification assists in reducing concentration risk. Equity mutual funds may include small-, mid- and large-capitalization stocks. Small- and mid-capitalization companies may have greater price volatility, lower trading volume and less liquidity than large-capitalization companies.
- **Fixed Income Investments:** One of the most important risks associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder, will experience a capital loss (i.e., selling the bond below its original purchase price). Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

Default risk is commonly referred to as “credit risk” and is based on the probability that the issuer of the debt obligation may default. Default risk is rated by quality ratings assigned by commercial rating companies.

Call risk is the risk related to call provisions on debt obligations. You should be aware of four risks associated with call provisions.

- 1) The cash flow patterns of callable bonds are not known with certainty.
- 2) Since the issuer will typically exercise their right to call the bonds when interest rates have dropped, you may be exposed to reinvestment risk. You would have to reinvest the proceeds after the bond is called at relatively lower interest rates.
- 3) The potential for capital appreciation of a callable bond is reduced relative to that of a non-callable bond, because its price may not rise much above the price at which the issuer can call the issue.
- 4) If the issue is purchased at a premium, you may lose the difference between the purchase price and call price.

Inflation risk arises because the value of the cash flows being received from a debt obligation may actually lose purchasing power over the course of time due to the effects of inflation.

Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern.

Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

Debt funds may include mortgage-backed securities and Treasury Inflation-Protected Securities (TIPS). Mortgage-backed securities are subject to greater declines in value than traditional fixed-income securities. This is primarily due to decreased prepayments when interest rates fall, which could lengthen the average life of a security. TIPS can provide a hedge against inflation, which helps preserve the purchasing power of the investment. Because of this inflation adjustment feature, inflation protected bonds typically have lower yields than conventional fixed rate bonds. These bonds will likely decline in price during periods of deflation, which could result in losses.

A number of fund companies are offering Floating Rate funds, also called Bank Loan funds. The fund invests mainly in floating rate loans (sometimes referred to as "adjustable rate loans") typically issued to below-investment-grade companies. These loans may or may not hold a senior position in the capital structure of the underlying U.S. and foreign corporations, partnerships or other business entities. Senior Loans may allow them to have priority of claim ahead of (or at least as high as) other obligations of a borrower in the event of liquidation and may be collateralized or uncollateralized. They typically pay interest at rates that float above, or are adjusted periodically based on, a benchmark that reflects current interest rates. These funds are designed for investors seeking to participate in the market for Senior Loans, which may have higher risks than conventional debt securities. Investors should be willing to assume the greater risks of short-term share price fluctuations and the special credit risks that are typical for a fund that invests mainly in below-investment-grade fixed income securities. The fund is not designed for investors needing an assured level of current income. Lincoln's use of these securities in its managed portfolios is only in well-diversified portfolios, to minimize the risks to the portfolio yet allow for the potential participation in the higher yields associated with these higher risk investments.

- **International Investing:** Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Mutual funds purchased for your account may invest in international securities. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. There are special risks associated with foreign investing, including currency fluctuations, economic instability and political developments. Fluctuations in foreign currency-denominated securities may be magnified by changes in foreign exchange rates. These risks may be magnified in emerging markets.
- **Exchange Traded Funds (ETFs):** While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed.

Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these securities must understand; due to the significant risk involved in these securities, Lincoln Investment will approve their use only on an exception basis.

- **Options:** Certain options strategies are highly specialized contracts based on securities and entail greater than ordinary investment risks.

For further information regarding the risks associated with the portfolios managed by Capital Analysts and its Advisors and the best suited investment strategies for your account(s), please review the risk level of the Wrap Fee Program portfolio you have selected and your mutual fund prospectuses, or consult with your Advisor.

### **Voting Client Securities**

The Investment Management & Research team, through the Proxy Voting Committee, votes proxies on behalf of all Wrap Fee Program clients, with the exception of proxies for securities held in CAAMS Strategist accounts. The Committee does not vote proxies for any other Capital Analysts accounts, and no Capital Analysts Advisors may vote proxies on behalf of clients. Proxies for securities held in CAAMS Strategist accounts are voted by the client.

The Capital Analysts Proxy Voting Policy and Procedures are designed to ensure that when the responsibility for voting client proxies rests with Capital Analysts, such proxies are voted in the clients' best economic interest. Economic interest means in a manner most likely to protect and promote the long-term economic value of the securities held in the clients' accounts. The Proxy Voting Committee, guided by the Proxy Voting Policy and Procedures, is responsible for arriving at voting decisions that support economically advantageous corporate practices, while leaving direct oversight of company management and strategy to the Board of Directors and allow the markets to value corporate assets appropriately. The procedures offer guidelines and factors to consider for various categories of shareholder votes.

In addition, Capital Analysts could encounter a material conflict in voting client proxies. Capital Analysts has a duty to recognize a material conflict and to resolve the conflict before voting the proxy. Material conflicts of interest include situations where Capital Analysts or a member of the Investment Management & Research team has a business or familial relationship with an executive officer or member of the Board of Directors of a company for which the firm is voting proxies. Members of the IM&R team are required to disclose all business and familial relationships that may present a material conflict of interest with respect to a future proxy vote, and the Proxy Voting Committee will abstain from voting the proxies of a company where such a material conflict exists.

To obtain a copy of the full Capital Analysts Proxy Voting Policy and Procedures, or to inquire on how a particular proxy was voted on your behalf, contact your Advisor.

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

When your Wrap Fee Program account is opened, your Advisor will assist you in completing confidential investor profile containing personal and financial information such as your risk tolerance, investment objectives, net worth, and investing time horizon. This information will be communicated to the IM&R team when the Wrap Fee Program offers custom portfolio management. Your Advisor will contact you annually thereafter to confirm there have been no changes in your risk tolerance, investment objectives or financial situation, which would need to be communicated to the CAAMS portfolio manager who is performing the custom management.

Capital Analysts, the IM&R team, your Advisor, and any other portfolio manager(s) rely on the accuracy of the information you provide to manage your account(s). You are responsible to notify your Advisor of any changes in your financial situation or investment objectives.

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

You may contact and consult with Capital Analysts, your Advisor, and the IM&R team in writing, over the phone or electronically. The IM&R team may hold regular conference calls to discuss investment strategies or current market events. In general, you should contact Capital Analysts and the IM&R team through, or together with, your Advisor so that the financial advice you receive is consistent.

### **Item 9: Additional Information**

#### **Disciplinary Information**

Provided below is a summary of legal or disciplinary events within the past ten years that may be material to your evaluation of Capital Analysts' advisory business.

#### **September 14, 2018:**

Capital Analysts entered into a settlement with the SEC for alleged violations of the Investment Advisers Act of 1940 ("Advisers Act") in connection with its mutual fund share class selection practices and receipt of shareholder servicing fees for the CAAMS Wrap Fee Programs managed on the Pershing LLC platform. The firm neither admitted nor denied the SEC's allegations in agreeing to the settlement. The SEC alleged that from April 2013 through March 2016, Capital Analysts did not disclose that it had a conflict of interest when it invested CAAMS Wrap Fee clients in mutual fund share classes that paid 12b-1 fees to its affiliated broker-dealer, Lincoln Investment Planning, LLC ("Lincoln Investment") when a lower-cost share class of the same fund without a 12b-1 fee was available. The SEC also alleged that Capital Analysts did not meet its duty of best execution; failed to adopt and implement written policies and procedures reasonably designed to address mutual fund share class selection and related conflicts of interest; and did not adequately disclose that its affiliate Lincoln Investment received shareholder servicing fee revenue in connection with Capital Analysts' recommendation of certain mutual funds for the CAAMS Wrap Program. The SEC's Order recognized remedial actions voluntarily undertaken by Capital Analysts. Capital Analysts was censured and ordered to cease and desist from further violations of the Advisers Act. Under the terms of the settlement, Capital Analysts paid to the US Treasury a \$300,000 civil monetary penalty and shareholder services fee revenue, with interest, in the amount of \$770,476. The firm also refunded to affected clients \$1.02 million in 12b-1 fees.

Your Advisor should provide along with this brochure a Form ADV 2B Brochure Supplement that describes your Advisor's education, business experience, professional designations and material legal or disciplinary history, if any. For further information regarding Capital Analysts' disciplinary events, you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) and search for Capital Analysts, LLC.

#### **Other Financial Industry Activities and Affiliations**

#### **Relationship with Lincoln Investment**

As noted earlier, Capital Analysts is an affiliate of Lincoln Investment Planning, LLC, which is a

registered broker-dealer and investment adviser, as well as a general insurance agency. The majority of Capital Analysts advisors are also registered representatives of Lincoln Investment. This relationship may present a conflict of interest. Additionally, through its relationship with Lincoln Investment, Capital Analysts introduces client accounts to Pershing LLC, a broker-dealer and member of the New York Stock Exchange, which provides custody and clearing of securities, including exchange traded securities. Pershing LLC carries accounts on a fully disclosed basis. Lincoln Investment is also an introducing broker member of the National Futures Association to facilitate the offering and sale of managed futures contracts to clients. Please refer to the “Other Compensation and Our Conflicts of Interest” section under Item 4 of this brochure for more information.

#### **Authorized Agent for UMB Bank, N.A.**

Lincoln Investment acts as authorized agent for UMB Bank, N.A., the retirement plan custodian used in our SOLUTIONS and some Pershing retirement plan platform offerings. As an authorized agent, Lincoln Investment performs the administrative and custodial duties, such as, recordkeeping, consolidated reporting, client communications, trade confirmations, account statements and tax reporting for UMB Bank, N.A.

#### **NFA Membership**

Lincoln Investment is also an introducing broker member of the National Futures Association to facilitate the offering and sale of managed futures contracts to clients. The contracts are not eligible for advisory accounts.

#### **Other Affiliated Investment Adviser**

Capital Analysts is a wholly-owned subsidiary of Lincoln Investment Capital Holdings, LLC. Advisors of Capital Analysts may be dually registered to offer the advisory services of Lincoln Investment Planning, LLC, an affiliated investment adviser.

#### **Advisors Other Business Activities and Affiliations**

Capital Analysts' Advisors are independent contractors, many of whom hold themselves out to the public under a name other than Capital Analysts and offer other financial services independent of Capital Analysts, such as, life, health, disability, long term care and fixed annuity insurance products, real estate, and business succession planning services. A few of our Advisors may also be qualified lawyers and accountants or hold certain professional designations not required by us to conduct their business. These services are offered independent of Capital Analysts as outside business activities and Capital Analysts assumes no responsibility or supervision over these activities. Please refer to the "Other Compensation and Other Conflicts of Interest" section under Item 4 of this brochure, or refer to your Advisor's ADV 2B brochure supplement, for more information regarding outside business activities and how we address these conflicts. You may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org) for further information regarding your Advisors' other business activities or affiliations.

#### **Independent Registered Investment Advisers**

Capital Analysts may permit certain Advisors to maintain their own independent registered investment advisers through which they may offer advisory services similar to those services offered by Capital Analysts. In some cases, Capital Analysts allows these Advisors to offer Capital Analysts' advisory services to their investment advisory clients. In these situations, Capital Analysts acts as a sub-adviser or as a third party manager to the Advisors' investment adviser clients. Capital Analysts assumes no suitability responsibility for any advisory offerings other than those sponsored by us. Advisors affiliated with other registered investment advisory firms must provide to their clients the firm's Form ADV Part 2A, applicable supplements, advisory agreements and disclosures. To inquire as to whether

your Advisor is affiliated with a separate registered investment advisory firm, you may go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or [www.brokercheck.finra.org](http://www.brokercheck.finra.org).

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Code of Ethics**

As an investment adviser, Capital Analysts has established a Code of Ethics under which all Capital Analysts supervised employees and Advisors must comply. In our capacity as an investment adviser, Capital Analysts owes a fiduciary duty to our investment advisory clients and is held to legal standards under applicable federal and state securities laws. Capital Analysts has a fiduciary responsibility to (1) provide investment advice that the advisor believes is in the best interest of the client; (2) place clients interest above the interests of Capital Analysts and your advisor by providing full and fair disclosure of all material facts and conflicts of interest to clients, and (3) conduct all personal securities transactions consistent with our Code of Ethics.

Capital Analysts' Advisors are held to a professional standard that requires they avoid any abuse of an individual's position of trust and responsibility, not take inappropriate advantage of their positions; comply with applicable securities laws and regulations; and maintain confidentiality of client's financial circumstances. You may request a full copy of Capital Analysts' Code of Ethics from your Advisor or Capital Analysts' Compliance Department at (800) 242-1421, ext. 4300.

### **Participation or Interest in Client Accounts and Personal Trading**

Capital Analysts, its Advisors, members of the Investment Management & Research team, and employees may buy or sell for themselves securities that are also recommended to clients. With the exception of its Insider Trading policies and procedures, Capital Analysts does not impose on itself or any person associated with it any restrictions in connection with the purchase or sale, directly or indirectly, of investments for his or her own account. Capital Analysts requires that Advisors disclose conflicts of interest to you if an investment product is recommended in which Capital Analysts or the Advisor has a material financial interest. For all portfolios on which Capital Analysts or your Advisor have discretionary authority, the Advisor and his or her employees must give priority when placing an order to buy or sell to client securities purchases and sales over their own personal transactions in the same security.

This means that any transaction by the Advisor or his/her employee must be placed either simultaneously with the client's transaction (i.e., aggregating the orders and sharing in the same price and execution costs) or *after* all client trades are placed on the same trading day. While this does not guarantee that the client will receive a better price, it does establish that the client trades will occur at the same time or before that of the Advisor or his/her employees. At no time may an Advisor participate in the profits or losses of an investor's account. Personal trading accounts of Advisors are reviewed regularly to ensure compliance.

## **Brokerage Practices**

Capital Analysts utilizes its affiliate, Lincoln Investment, as its introducing broker-dealer unless specifically directed by a client or third party manager to place trades with another broker-dealer. Lincoln Investment's primary clearing arrangement is with Pershing LLC. Pershing may make a market in stocks, bonds, and ETFs in which Lincoln Investment has acted as broker. Lincoln Investment and Capital

Analysts have policies and procedures in place to monitor trade execution practices at Pershing LLC to its best execution obligations with respect to these types of securities on behalf of Capital Analysts' clients. Capital Analysts does not receive "research" or higher execution costs (soft dollars) from broker-dealers in exchange for the directing of brokerage. Most transactions clear through Pershing LLC to facilitate our ability to access and properly monitor your investments.

Capital Analysts may on occasion place non-exchange traded securities transactions through its broker-dealer affiliate, Lincoln Investment, unless otherwise directed by the client. Clients have the right to utilize a broker-dealer other than Lincoln; however, Capital Analysts reserves the right to accept or reject such accounts based on its ability to provide adequate account monitoring and best execution.

### **Trade Aggregation Policy**

Offering advisory services to clients includes an obligation on the part of Capital Analysts and its Advisors to ensure that the allocation of investment opportunities or trades among its various client accounts, as well as accounts in which it (or its affiliates) has a proprietary interest, is performed in a manner that is fair and equitable in its treatment of all clients and, wherever possible, avoids conflicts of interest.

Therefore, Capital Analysts has adopted an Aggregated Trade Allocation Policy to be used by Capital Analysts and Advisors who have been granted full discretionary authority by their clients when placing orders in the same security on the same day for one or more clients or accounts. By aggregating orders, Advisors ensures that all clients receive that same price for the security on the same day. This policy is intended to prevent favoritism of one client over another and establish a rational and predictable fashion for the allocation of trade pricing on a given day for a given security.

Trades in the following situations will typically be aggregated:

- Capital Analysts or the Advisor recognizes ahead of time that he/she will be buying or selling the same security in more than one client account on the same day;
- Capital Analysts or the Advisor reasonably believes that aggregating may facilitate a better execution price for all clients; and
- The securities involved are exchange-traded rather than open-ended funds or annuity sub-accounts.

Trades in the following situations will not typically be aggregated:

- Where prohibited by or inconsistent with the client's investment management agreement;
- The trade is a result of the implementation of a change of investment strategy for a specific client;
- The trade is part of a new client's account allocation;
- The trade is a result of rebalancing to an asset allocation policy pursuant to an account review with the client; and/or
- Capital Analysts or the Advisor reasonably believes that aggregating orders would adversely impact price and/or best execution for the client.

If the security to be purchased in aggregate cannot be obtained in the total quantity required, the allocation of that security will be made on a pro rata basis determined by the ratio of the quantity obtained to the share quantity required to implement the investment strategy. Each client would participate in the order at the average price for all of the transactions on a given day. The transaction cost to all advisory clients shall be the standard ticket charge for the aggregated order.



If implementing the trade requires transactions over several days, each day's execution shares and average price on all executions for that day shall be allocated by the end of each trading day or no later than the next trading day.

In the course of executing an aggregated trade, a list of clients' accounts and shares to be bought or sold is to be prepared. This is to be used in allocating the trade and the list is to be kept as a record with the original aggregated trade order.

Allocation of shares, prices, and costs shall be done on a timely basis, in no event to exceed 24 hours following execution.

Capital Analysts and your Advisor shall not receive any additional compensation for aggregating trades.

With respect to accounts managed on a discretionary basis by Capital Analysts' IM&R team, portfolios that utilize the same trading discipline in multiple models managed across multiple platforms are subject to the Advisory Program Rotation Policy. Due to platform differences, it is not always possible to trade all reallocations and rebalancing within all similar model portfolios on the same day or, in the case of exchange-traded securities, at the same time. Therefore, the firm has established an Advisory Program Rotation Policy whereby the firm will attempt to rotate the order of trade initiation by platform for multi-platform models to ensure clients are treated equitably and fairly over time. Advisory Program models will rotate the order in which their transactions are sent by platform, allowing each model to occupy each position in the trade rotation once per reallocation event before the cycle resets.

Capital Analysts' advisory assets at Pershing comprise the majority of the firm's managed assets. In order to minimize financial impact to the majority of clients, the trade allocation policy will not apply in the event of significant market volatility and Capital Analysts will give priority to advisory assets at Pershing LLC.

## **Review of Accounts**

### **Account Review Policies and Procedures**

Your Advisor is responsible to ensure that the recommended advisory service is in your best interest. Many of our programs are managed to defined levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation and potential loss of investment is an important part of your decision. Furthermore, the Advisor Fee portion of your fees compensates your Advisor for his or her services. If Capital Analysts or your Advisor have been granted full discretionary trading authority over your advisory account, Capital Analysts or your Advisor will provide ongoing monitoring and will make changes in your account as deemed necessary. For all other non-discretionary advisory accounts, you and your Advisor will review your advisory account's objectives, investments and performance relative to your objectives and financial situation at least annually to allow your Advisor the opportunity to recommend changing or maintaining the objectives or investments in your account. It is important therefore that you take the time to speak with your Advisor regarding your financial objectives and needs and particularly when there is a material life event that could affect or change your investment objectives or financial needs.

A Supervising Principal will review all advisory recommendations and financial plans prepared by your Advisor and will also provide an oversight of the recommendations and trading activities occurring in your account. If you have any questions about the trading or recommendations in your account, please call your Advisor's Designated Supervisor.

Capital Analysts' Investment Management & Research (IM&R) team routinely reviews the advisory services managed, sponsored, and/or offered by Capital Analysts. A description of the IM&R team is provided at the end of this brochure. The IM&R team performs the following roles on Capital Analysts' behalf:

- The management of all CAAMS Wrap Fee Programs
- The selection of advisory services offered by Capital Analysts;
- The monitoring of advisory services offered by Capital Analysts;
- The removal of advisory services offered by Capital Analysts;
- The comparison of advisory results to predetermined benchmarks to monitor whether third party investment advisers', including CAAMS Select Managers, disciplines are providing value to clients.

### **Written Reports**

At minimum, you will receive regular account statements, either monthly or quarterly depending on your account activity, from the custodian(s) who carry your account(s). As most Capital Analysts advised or managed accounts are custodied at Pershing LLC, you will receive these statements directly from Pershing LLC, either in hard copy or electronic format. This statement will reflect all positions and transactions that have occurred in your account as well as identify any fees, including the advisory fee, deducted from your account.

Some Advisors and advisory services may also provide you supplemental advisory reports, which may include performance reports, aggregated account reviews, or a portfolio snapshot. These supplemental reports, typically generated on a quarterly, semi-annual or annual basis, are made available to you either electronically or will be delivered to you at the time of a meeting. These supplemental reports are provided as a service to you and should not replace your custodial statement(s). We urge you to compare these supplemental reports to the account statements you receive. If you find any discrepancies, please contact your Advisor or Capital Analysts.

### **Client Referrals and Other Compensation**

On occasion, Capital Analysts permits an Advisor to compensate an outside party (for example, an attorney or an accountant) for client referrals to the Advisor for one of our advisory services. The outside party must execute a Solicitor Agreement with Capital Analysts, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor.

Please also refer to the "Other Compensation and Our Conflicts of Interest" section of this brochure for further information regarding Capital Analysts' other compensation and conflicts of interests.

### **Custody**

Capital Analysts is not a qualified custodian under broker-dealer regulations and Rule 206(4)-2 (the "Custody Rule") of the Investment Advisers Act of 1940, but utilizes affiliated and unaffiliated broker-dealers to maintain client assets. Capital Analysts' affiliate, Lincoln Investment, is the broker-dealer for most Capital Analysts advisory business and introduces accounts to Pershing LLC as the fully disclosed clearing broker-dealer and qualified custodian.

You may have your advisory assets held at a qualified custodian other than Pershing LLC. You should receive, at minimum, a quarterly statement from the qualified custodian(s) of your advisory assets. We urge you to carefully review these statements and compare them to any reports provided to you by Capital Analysts or your Advisor. The information in these reports may vary from your custodial statements based on accounting procedures and reporting dates. Please contact your Advisor or Capital Analysts regarding any statement discrepancies.

### **Investment Discretion**

Depending on the advisory service chosen, Capital Analysts, its Advisors, or a third party independent registered investment adviser may have discretionary authority to determine which securities shall be bought and sold, and the total amount to be bought or sold in your advisory account(s). This authorization does not grant Capital Analysts or its Advisors the right to withdraw any funds or securities from your advisory account(s), except as specifically authorized in your advisory agreement for the deduction of Advisory Fees. Your advisory agreement or account application will identify if you are giving limited or full discretionary trading authority for your advisory account(s) to Capital Analysts, your Advisor, or a third party independent registered investment adviser.



**Capital Analysts, LLC (Capital Analysts)**

Principal Office:

601 Office Center Drive, Suite 300  
Fort Washington, PA 19034

**Investment Management & Research**

Stephen T. Mayhew, CFA, CPA, CFP®  
Christopher J. Surrichio, CFA  
Gerald E. Burhop, CFA  
Brian Moran  
Ted O'Donoghue

September 25, 2020

This brochure supplement provides you with information about the five (5) members of the Investment Management & Research (IM&R) team of Capital Analysts who have the most significant day-to-day management responsibilities for the Capital Analysts managed portfolios. This information supplements the information contained in the Capital Analysts Form ADV 2A and/or Wrap Fee Program brochure, which you should have received.

Please contact Deirdre Koerick, Chief Compliance Officer of Capital Analysts, at (800) 242-1421 if you did not receive the applicable brochure or if you have any questions about the contents of this supplement.

Additional information about each of the members of the IM&R team is available through the U.S. Securities and Exchange Commission at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Stephen T. Mayhew, CFA, CPA, CFP®**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1957

#### **Education**

Master of Business Administration, Drexel University, 1984

Bachelor of Science, Business, Pennsylvania State University, 1979

#### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Senior Vice President and Chief Investment Officer

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 1986 – June 2012, Senior Vice President

#### **Professional Licenses/Designations**

Mr. Mayhew holds general securities principal, general securities representative, commodities, and research analyst licenses with Lincoln Investment Planning, LLC (Lincoln Investment), a registered broker-dealer and investment adviser and an affiliate of Capital Analysts, LLC. Mr. Mayhew is also registered with the National Futures Association. In addition, Mr. Mayhew maintains the following professional designations:

##### *Chartered Financial Analyst (CFA)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

##### *Certified Public Accountant (CPA)*

Certified Public Accountant (CPA) is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA. Individuals who have passed the Exam but have not either accomplished the required on-the-job experience or have previously met it but in the meantime have lapsed their continuing professional education are, in many states, permitted the designation "CPA Inactive" or an equivalent phrase. In most U.S. states, only CPAs who are licensed are able to provide the public attestation (including auditing) opinions on financial statements. The exceptions to this rule are Arizona, Kansas, North Carolina and Ohio where, although the "CPA" designation is restricted, the practice of auditing is not.

##### *Certified Financial Planner (CFP®)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: Certified Financial Planner Board of Standards, Inc.

Prerequisites/Experience Required: A candidate must meet the following requirements; A bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience.

Educational Requirements: Candidate must complete a CFP-board registered program, or hold one of the following: CPA, ChFC, CLU, CFA, Ph.D. in business or economics, Doctor of Business Administration, or a bar admission  
Examination Type: CFP Board of Standards 10 hour board exam  
Continuing Education/Experience Requirements: 30 hours every two years

#### **DISCIPLINARY INFORMATION**

Mr. Mayhew has no material legal or disciplinary events to report.

#### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Capital Analysts and Lincoln Investment Planning, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict of interests.

#### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Mr. Mayhew, as a registered representative of Lincoln Investment, has a small number of clients for whom he acts as financial advisor. For these accounts, he will share in the advisory fee or sales commission.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

#### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Mayhew is Denis Houser, President and CEO of Capital Analysts, LLC. Mr. Houser or his designee is responsible to review the duties, responsibilities and trading of Mr. Mayhew and the Investment Management & Research team. If you have any questions about the trading or allocations in your account, please contact Mr. Houser at (215) 887-8111 ex. 4619.

## **Christopher J. Surrichio, CFA**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1970

#### **Education**

Bachelor of Arts, Economics, Boston College, 1992

#### **Business Experience**

Capital Analysts, LLC, June 2012 – Present, Vice President and Portfolio Manager

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 2002 – June 2012, Vice President

#### **Professional Licenses/Designations**

Mr. Surrichio holds general securities principal, general securities representative and research analyst licenses with Lincoln Investment Planning, LLC (Lincoln Investment), a registered broker-dealer and investment adviser and an affiliate of Capital Analysts, LLC.

In addition, Mr. Surrichio maintains the following professional designations:

*Chartered Financial Analyst (CFA)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Surrichio has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Capital Analysts and Lincoln Investment Planning, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Surrichio has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

**SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Surrichio is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Surrichio. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.



## **Gerald E. Burhop, CFA**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1964

#### **Education**

Master of Business Administration, Finance, Temple University, 1998

Bachelor of Science, Agricultural Journalism/Advertising, University of Wisconsin-Madison, 1988

#### **Business Experience**

Lincoln Investment Planning, LLC, 2002 – Present, Vice President and Portfolio Manager

Lincoln Investment Planning, LLC, 2000 – Present, Investment Adviser Representative and Registered Representative

Lincoln Investment Planning, LLC, March 1999 – 2002, Mutual Fund Financial Analyst

Capital Analysts, LLC, 2014 – Present, Investment Adviser Representative

#### **Professional Licenses/Designations**

Mr. Burhop holds general securities principal and general securities representative licenses with Lincoln Investment Planning, LLC (Lincoln Investment), a registered broker-dealer and investment adviser and an affiliate of Capital Analysts, LLC.

In addition, Mr. Burhop maintains the following professional designations:

##### *Chartered Financial Analyst (CFA)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Undergraduate degree and four years of professional experience involving investment decision-making, or four years qualified work experience (full time, but not necessarily investment related)

Educational Requirements: Self-study program (250 hours of study for each of the three levels)

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

##### *Certificate in Investment Performance Measurement (CIPM)*

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

Prerequisites/Experience Required: Candidate must meet one of the following requirements:

Two years of professional experience “substantially entailing performance-related activities,” or four years of investment industry work experience

Educational Requirements: Self-study program (100 or more hours of study for each of the two levels)

Examination Type: Two level exams (Principles and Expert)

Continuing Education/Experience Requirements: None

### **DISCIPLINARY INFORMATION**

Mr. Burhop has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Capital Analysts and Lincoln Investment Planning, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Burhop has no other business activities to report.

## **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

## **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Burhop is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Burhop. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Brian Moran**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1967

#### **Education**

Master of Business Administration, Drexel University, 2012

Bachelor of Science, Economics, University of Pennsylvania, 1990

#### **Business Experience**

Capital Analysts, LLC, May 2015 – Present, Director of Trading and Portfolio Manager

Capital Analysts, LLC, June 2012 – May 2015, Institutional Trading Manager

Capital Analysts, LLC, June 2012 – Present, Investment Adviser Representative

Lincoln Investment Planning, LLC, June 2012 – Present, Investment Adviser Representative and Registered Representative

Capital Analysts, Incorporated, 2001 – June 2012, Institutional Trading Manager

#### **Professional Licenses/Designations**

Mr. Moran holds general securities principal, general securities representative, municipal securities principal, and options principal licenses with Lincoln Investment Planning, LLC (Lincoln Investment), a registered broker-dealer and investment adviser and an affiliate of Capital Analysts, LLC.

### **DISCIPLINARY INFORMATION**

Mr. Moran has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Capital Analysts and Lincoln Investment Planning, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict.

Mr. Moran has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. Moran is Stephen T. Mayhew, Senior Vice President and Chief Investment Officer of Capital Analysts, LLC. Mr. Mayhew or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. Moran. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7734.

## **Ted O'Donoghue**

### **EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE**

Year of Birth: 1976

#### **Education**

MBA, Investment Management/Finance, Smeal College of Business, Pennsylvania State University, 2008  
Bachelor of Arts, Economics, Bucknell University, 2000

#### **Business Experience**

Capital Analysts, LLC, April 2012 – Present, Senior Research Analyst  
Capital Analysts, LLC, April 2012 – Present, Investment Adviser Representative  
Lincoln Investment Planning, LLC, April 2012 – Present, Investment Adviser Representative and Registered Representative  
Commonwealth Financial Network, July 2008 – December 2011, Investment Consultant  
Liberty Mutual, June 2007 – August 2007, CDP MBA Intern  
Columbia Management, November 2002 – August 2006, Regional Sales Consultant

#### **Professional Licenses/Designations**

Mr. O'Donoghue holds general securities principal and general securities representative licenses with Lincoln, as well as through its affiliated RIA, Capital Analysts, LLC.

### **DISCIPLINARY INFORMATION**

Mr. O'Donoghue has no material legal or disciplinary events to report.

### **OTHER BUSINESS ACTIVITIES**

The IM&R team is responsible for the proprietary asset management programs offered by Lincoln and Capital Analysts, LLC, an affiliated investment adviser. The management of portfolios for both investment advisers may create a conflict of interest.

Mr. O'Donoghue has no other business activities to report.

### **ADDITIONAL COMPENSATION**

Generally, members of the Investment Management & Research team are compensated through salaries and bonuses. They may be compensated with profit sharing contributions and, in some cases, participation in a long-term incentive plan. Salaries are fixed annually and are driven by the marketplace. Compensation is not affected by an increase in advised assets.

Please see the *Services, Fees and Compensation* section of the accompanying Form ADV 2A and/or Wrap Program brochure. This section describes in detail other potential forms of compensation in addition to the advisory fee paid to Lincoln Investment or Capital Analysts. Compensation to Lincoln Investment or Capital Analysts may be in the form of 12b-1 fees, shareholder servicing fees, administrative fees, or marketing support.

### **SUPERVISION**

The individual responsible for monitoring the advisory activities of Mr. O'Donoghue is Christopher Surrichio, Vice President and Portfolio Manager. Mr. Surrichio or his designee is responsible to review the duties, responsibilities and trading assigned to Mr. O'Donoghue. If you have any questions about the trading in your account, please call Mr. Mayhew at (215) 881-7733.