

Form ADV Part 2A: Firm Brochure

The Capital Group Investment Advisory Services, LLC

6720-B Rockledge Drive 2050, Suite 400

Bethesda, MD 20817

Phone (301) 214-7666

Website: <http://www.capgroupfinancial.com>

August 2021

This brochure provides information about the qualifications and business practices of The Capital Group Financial Investment Advisory Services, LLC. If you have any questions about the contents of this brochure, please contact us at: 301-214-7666 or by email at: info@capgroupfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

The Capital Group Financial Investment Advisory Services, LLC may refer to itself as a “registered investment adviser”. Clients should be aware that registration with the SEC or any state securities authority does not imply a certain level of skill or training. Additional information about the Adviser is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2-Material Changes since the Last Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

In July 2021, Baldwin Krystyn Sherman Partners, LLC a subsidiary of BRP Group, Inc. (NASDAQ: BRP) announced the entity was in the process of acquiring The Capital Group Investment Advisory Services, LLC. The acquisition closed August 2, 2021.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 301-214-7666 or by email at: info@capgroupfinancial.com

Item 3-Table of Contents

Item 2-Material Changes since the Last Update.....	2
Item 3-Table of Contents	3
Item 4-Advisory Business.....	4
Firm Description	4
Types of Advisory Services	4
Written Agreements	7
Item 5-Fees and Compensation.....	8
Investment Management Fees.....	8
Financial Planning and Consulting Fees	9
Retirement Plan Consulting Fees	10
Rollover Fee Schedule and Services.....	10
Commissions for Sale Charges for Recommendations of Securities	11
Additional Fee Information.....	12
Item 6-Performance Based Fees	13
Item 7-Types of Clients	13
Item 8-Methods of Analysis, Investment Strategies and Risk of Loss.....	13
Methods of Analysis.....	13
Investment Strategies.....	14
Market, Security and Regulatory Risks	14
Item 9-Legal and Disciplinary	18
Item 10-Other Financial Industry Activities and Affiliations.....	19
Item 11-Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	19
Code of Ethics.....	19
Participation or Interest in Client Transactions	20
Personal Trading	20
Item 12-Brokerage Practices.....	20
Brokerage Selection and Soft Dollars	20
Order Aggregation	22
Item 13- Review of Accounts	22
Review Triggers.....	23
Regular Reports	23
Item 14-Client Referrals and Other Compensation	23
Other Compensation.....	23
Item 15-Custody.....	24
Account Statements	25
Item 16- Investment Discretion	25
Item 17-Voting Client Securities.....	26
Item 18-Financial Information	26
Business Continuity Plan.....	26
Information Security Program	27
Information Security	27
Privacy Practices.....	27

Item 4-Advisory Business

Firm Description

The Capital Group Investment Advisory Services, LLC (the Adviser or the Firm) was founded as an independent registered investment adviser in 2013 by Christopher Staub, Joseph Apa and Kevin Fitzpatrick. In August 2021, the Firm was acquired by Baldwin Krystyn Sherman Partners, LLC a subsidiary of BRP Group, Inc. (NASDAQ: BRP). BRP is an independent insurance distribution firm delivering tailored insurance and risk management insights and solutions.

The Capital Group Investment Advisory Services is engaged in the business of providing investment advisory and consulting services to a broad range of clients including individuals, pension and profit-sharing plans, defined benefit plans, trusts, estates, charitable organizations, and small to mid-size businesses. The Capital Group Investment Advisory Services offers advice through consultation with the client which may include determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

As of June 30, 2021, The Capital Group Investment Advisory Services maintains approximately \$750,971,455 of assets under discretionary management including \$608,076,294 in its Asset Management Services related to retirement plans. Retirement plans may include assets for which The Capital Group Investment Advisory Services acts as a 3(21) or a 3(38) fiduciary and provides ongoing recommendations based upon the needs of the retirement plan client, as to which specific securities or other investments to make available to its plan participants, among other services.

Types of Advisory Services

The Capital Group Investment Advisory Services offers a variety of advisory services, which include financial planning, consulting, pension consulting and investment management services. The Firm uses a combination of institutional management, separate accounts, mutual funds, exchange traded funds, and other types of securities to provide a customized investment strategy that the Adviser manages with the client in mind. To that end, the Firm will analyze client information to assess their current situation, define their goals and determine what should be done in order to meet those goals. Depending on what services the Firm is engaged to provide, this could entail analyzing client assets, liabilities and cash flow, current insurance coverage, investments, tax strategies and other less tangible concerns. The Firm believes an approach that carefully monitors client portfolios is integral in achieving client objectives.

Financial Planning and Consulting Services

The Capital Group Investment Advisory Services offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

Business Planning	Investment Consulting	Cash Flow Forecasting
Insurance Needs Analysis	Retirement Planning	Tax Analysis
Estate Planning	Education Planning	

While each of these services is available as a stand-alone consideration, several may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement with the Firm. See *Investment Management and Wealth Management Services*.

In performing these services, the Firm is not required to verify any information received from the client or from the client's other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

The Capital Group Investment Advisory Services may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage the Firm to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by The Capital Group Investment Advisory Services under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including the Firm itself. Clients are advised that it remains their responsibility to promptly notify The Capital Group Investment Advisory Services of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising the Firm's previous recommendations and/or services.

Retirement Plan Consulting Services

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

Plan Design & Strategy	Plan Fee & Cost Analysis
Plan Review & Evaluation	Retirement Plan Committee Consultation
Executive Planning & Benefits	Fiduciary & Compliance
Investment Management & Review	Legacy Plan Services

In this capacity, The Capital Group Investment Advisory Service provides both 3(21)(a) fiduciary services as well as 3(38) investment management and non-fiduciary services as further described below.

- (1) *Limited Scope 3(21)(a) Fiduciary*. The Capital Group Investment Advisory Services acts as a limited scope 3(21)(a) fiduciary that advises, helps and assists plan sponsors with their investment decisions, which often includes selection of investment options and asset allocation recommendations.
- (2) *3(38) Investment Manager*. The Capital Group Investment Advisory Services also serves as an investment manager to certain plans in which it is granted discretionary management by the plan sponsor to select, monitor and replacement plan investments.

Additional services applicable to the Firm's Retirement Plan Consulting Services are described in the client agreement. The Capital Group Investment Advisory Services is deemed a Covered Service Provider to pension plan clients under the Employee Retirement Income Security Act of 1974, as amended (ERISA) Section 408(b)(2) regulations and is a fiduciary under Sections 3(21) and/or 3(38) of ERISA. ERISA Section 408(b)(2) requires Covered Service Providers to make required written disclosures to the responsible plan sponsor (RPS) which includes information the RPS may need to (i) assess the reasonableness of total compensation, both direct and indirect, received by the Covered Service Provider, its affiliates, and/or subcontractors, (ii) identify potential conflicts of interest, and (iii) satisfy reporting and disclosure requirements under Title I of ERISA. The Firm provides its pension plan clients with such information prior to entering into a written agreement with such clients, and upon changes to the information in accordance with ERISA regulations.

Investment Management and Wealth Management Services

The Capital Group Investment Advisory Services manages client investment portfolios on a discretionary or non-discretionary basis. In addition, The Capital Group Investment Advisory may provide clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

The Capital Group Investment Advisory Services primarily allocates client assets among various independent investment managers (*See Independent Managers*), mutual funds, exchange-traded funds (ETFs), individual debt and equity securities, as well as the securities components of variable annuities and variable life insurance contracts, in accordance with the investment objectives of its individual clients.

In addition, The Capital Group Investment Advisory Services may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage The Capital Group Investment Advisory Services to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, The Capital Group Investment Advisory Services directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

The Capital Group Investment Advisory Services tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. The Capital Group Investment Advisory Services consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify The Capital Group Investment Advisory Services if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the

management of their accounts if The Capital Group Investment Advisory Services determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Independent Manager Services

The Capital Group Investment Advisory Services may select certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either The Capital Group Investment Advisory Services or the client. In addition to this brochure, clients may also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets. The Capital Group Investment Advisory Services does not receive compensation from any such *Independent Managers*.

The Firm evaluates various information about the *Independent Managers* it chooses to manage client portfolios, which may include the *Independent Managers'* public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers'* investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure.

Written Agreements

Prior to engaging The Capital Growth Investment Advisory Services to provide any of the foregoing investment advisory services, clients are required to enter into one or more written agreements with the Firm setting forth the terms and conditions under which the Adviser renders its services (collectively the Agreement).

Termination of Agreement

A client may terminate an Agreement at any time by providing The Capital Growth Investment Advisory Services written notice. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Firm may terminate an Agreement at any time by providing the client with written notice. If the client made an advance payment, The Capital Growth Investment Advisory Services will refund any unearned portion of the advance payment.

The Capital Growth Advisory Investment Services reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in the Firm's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded.

Assignment of Agreements

Agreements may not be assigned without client consent.

Wrap Fee Programs

The Capital Growth Advisory Investment Services does not currently sponsor nor provide management services to any wrap fee program, which is defined as “any advisory program under which a specified fee or fees not based directly upon transactions in a *client’s* account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of *client* transactions.”

Item 5-Fees and Compensation

Investment Management Fees

Asset Management Fees: The Capital Group Investment Advisory Services asset management fees are generally assessed quarterly, in advance, based upon a percentage of the client’s assets under management as of the close of business on the last business day of the preceding calendar quarter. Although the Firm typically bills in advance, the initial asset management fee is due at the beginning of the quarter following the inception date and is based on the client’s initial investment in the account prorated for the number of days assets have been deposited in a client’s account before a fee is assessed (arrears billing). Therefore, the first asset management fee billing will include a prorated fee based on arrears billing plus an advanced billing fee. Additionally, certain of The Capital Group Investment Advisory’s *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a separate commission arrangement.

The Capital Group Investment Advisory Services provides investment management services for an annual fee based on the amount of assets under the Firm’s management. The fee varies between 50 and 125 basis points (0.50% – 1.25%), based on the following fee schedule:

Asset Management Fees		
Account Value From	Account Value To	Annual Percentage Fee
\$0	\$500,000	1.25%
\$500,001	\$1,000,000	1.00%
\$1,000,001	\$2,000,000	0.90%
\$2,000,001	\$3,000,000	0.80%
\$3,000,001	\$4,000,000	0.70%
\$4,000,001	\$5,000,000	0.60%
Over \$5,000,000		0.50%

If assets in excess of \$20,000 are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In

the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

Clients may incur transaction charges for trades executed in their accounts. These transaction charges are separate from our fees and will be disclosed by the firm through which the trades are executed. These transaction charges vary based on the type of investment (e.g., stock, mutual fund, exchange traded fund, etc.) and are paid to the custodian of client assets. The Capital Growth Investment Advisory Services does not receive any portion of the transaction charges.

Clients may also pay separately incurred expenses such as: charges imposed directly by a mutual fund, index fund, or exchange traded fund, all of which are disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses, such as 12b-1 fees). The Capital Growth Investment Advisory Services does not receive any portion of the transaction charges.

Portfolio Management Services: Fees for services provided by The Capital Group Investment Advisory Services are generally paid quarterly in advance and billed on a pro-rata annualized basis using the fee schedule noted above under Asset Management Services. Fees are calculated as a percentage of the market value of all assets on the last trading day of the month of the previous quarter. Although fees are typically billed in advance, the initial asset management fee is due at the beginning of the quarter following the inception date of the account or at some other time set forth in the materials pertaining to the particular program in which the client's assets are placed. This initial fee is based on the client's initial investment in the account prorated for the number of days assets have been deposited in a client's account before a fee is assessed (arrears billing). Therefore, the first asset management fee billing will include a prorated fee based on arrears billing plus an advanced billing fee.

In addition to and separate from the advisory fees charged by The Capital Group Investment Advisory Services, as referenced in the above schedule, the client will be responsible for additional fees charged by the third-party investment advisory firms, as well as custody and clearing fees. Please refer to the appropriate disclosure brochure for the specific program for more information regarding the fees and compensation associated with each third-party investment advisory program.

Fee Payment: Fees are generally automatically deducted from a client's managed account. As part of this process, clients must understand and acknowledge the following:

- The client provides authorization permitting fees to be directly paid by the terms outlined in the advisory agreement;
- The custodian, or in certain cases the Firm, calculates the advisory fees and the custodian deducts advisory fees from the client's account; and
- The custodian sends statements at least quarterly to the client showing all disbursements for his or her account, including the amount of the advisory fees paid to The Capital Group Investment Advisory Services.

Financial Planning and Consulting Fees

The financial and estate planning or consulting services fee may be billed on a flat fee basis or calculated on an hourly basis, ranging from \$200 to \$300 per hour. The total estimated fee, as well as

the ultimate fee charges financial/estate planning clients, is based on the scope and complexity of the financial/estate planning engagement. Flat fees are negotiable and generally range from \$1,500 to \$25,000. If a client implements all or a portion of a plan through The Capital Group Investment Advisory Services, planning fees may be waived at the Firm's sole discretion. Implementation of the plan through The Capital Group Investment Advisory Services is optional, and the client is advised that similar products or services are available elsewhere.

Generally, The Capital Group Investment Advisory Services requires the entirety of the financial planning or consulting fee payable upon execution of the *Agreement* and any balance will be due at the time the financial plan is delivered or the underlying services are rendered to completion. If the client engages the Firm for additional investment advisory services, The Capital Group Investment Advisory Services may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Retirement Plan Consulting Fees

The Capital Group Investment Advisory Services generally charges fees based upon the plan assets under management when providing clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the *Agreement*. These fees vary, based on the scope of the services to be rendered, but are generally based on the following fee schedule:

Portfolio Value	Annual Fee
Less than \$1,000,000	0.75%
\$1,000,001 to \$3,000,000	0.60%
\$3,000,001 to \$5,000,000	0.50%
\$5,000,001 to \$8,000,000	0.40%
\$8,000,001 to \$10,000,000	0.30%
\$10,000,001 to \$25,000,000	0.25%
\$25,000,001 to \$35,000,000	0.20%
\$35,000,001 to \$50,000,000	0.15%
\$50,000,001 to \$55,000,000	0.10%
\$55,000,001 and above	0.07%

In the event that The Capital Group Investment Advisory acts as an "investment manager" as defined by section 3(38) of the Employee Retirement Income Security Act of 1974, as amended (**ERISA**), an additional five (5) bps will be assessed. For more information, please refer to the *Agreement*.

Rollover Fee Schedule and Services

Level 1 (Assets under \$50,000) - 50 bps

- Quarterly Retirement Readiness Report
- Annual Financial Plan Checklist
- Monthly Savings Analysis
- Individual Investment Policy Statement
- Online Planning Resources
- Annual Risk Tolerance Assessment
- Professional Investment Management

Level 2 (Assets \$50,001 - \$150,000) - 75 bps

- Quarterly Retirement Readiness Report
- Annual Financial Plan Checklist
- Monthly Savings Analysis
- Individual Investment Policy Statement
- Online Planning Resources
- Annual Risk Tolerance Assessment
- Professional Investment Management
- Annual Phone Consultation Review Initiated by Advisor Periodic Phone and Webinar Access to Advisor

Level 3 (Assets \$150,001 +) - 100 bps

- Quarterly Retirement Readiness Report
- Annual Financial Plan Checklist
- Beneficiary Planning
- Monthly Savings Analysis
- Individual Investment Policy Statement
- Online Planning Resources
- Annual Risk Tolerance Assessment
- Professional Investment Management
- Annual In Person Consultation Review Initiated by Advisor as able by geographic region of client (DC Metro)
- Periodic Phone and Webinar Access to Advisor

Commissions for Sale Charges for Recommendations of Securities

Clients can engage certain persons associated with The Capital Group Investment Advisory Services (but not the Firm) to render securities brokerage services under a separate commission-based arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with The Capital Group Investment Advisory Services.

Under this arrangement, the Firm's *Supervised Persons*, in their individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. (PKS), may provide securities brokerage services and implement securities transactions under a separate commission-based arrangement. *Supervised Persons* may be entitled to a portion of the brokerage commissions paid to PKS, as well as a share of any ongoing distribution or service (trail) fees from the sale of mutual funds. The Capital Group Investment Advisory Services may also recommend no-load or load-waived funds, where no sales charges are assessed. Prior to effecting any transactions, clients are required to enter into a separate account agreement with PKS. The Capital Group Investment Advisory Services does not receive any portion of the commissions or transactional fees charged by PKS.

A conflict of interest exists to the extent that The Capital Group Investment Advisory Services recommends the purchase of securities where the Firm's *Supervised Persons* receive commissions or other additional compensation as a result of the *Supervised Person*'s recommendation(s).

The Capital Group Investment Advisory Services has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients. For certain accounts covered by the Employee Retirement Income Security Act (ERISA) and such others that the Firm, in its sole discretion, deems appropriate, The Capital Group Investment Advisory Services may provide its investment advisory services on a fee-offset basis. In this scenario, the Firm may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by The Capital Group Investment Advisory Services' *Supervised Persons* in their individual capacities as registered representatives of PKS.

Additional Fee Information

Account Additions and Withdrawals: Clients may make additions to and withdrawals from their account at any time, subject to the Firm's right to terminate an account. Additions may be in cash or securities provided that The Capital Group Investment Advisory Services reserves the right to liquidate any transferred securities or to decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to The Capital Group Investment Advisory Services, subject to the usual and customary securities settlement procedures. However, the Firm designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. The Capital Group Investment Advisory Services may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

Additional Fees and Expenses: In addition to the advisory fees paid to The Capital Group Investment Advisory Services, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively *Financial Institutions*). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. See *Item 12* for the Firm's brokerage practices.

Fee Debit: Clients generally provide The Capital Group Investment Advisory Services with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to The Capital Group Investment Advisory Services. Alternatively, clients may elect to have The Capital Group Investment Advisory Services send them an invoice for direct payment.

Fee Discretion: The Capital Group Investment Advisory, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

Services to Family and Friends of The Capital Growth Investment Advisory Services: The Firm may provide advisory services to certain family members or friends without charge, or for fee rates that are lower than the rates available to other clients.

Household Accounts: At its discretion, The Capital Growth Investment Advisory Services may aggregate or “household” accounts (including multiple accounts) for the same individual or two or more accounts within the same family or related parties, or accounts where a family member/related party has power of attorney over another family member/related party or incompetent person's account.

Advisory Fees in General: Clients should be aware that similar advisory services may (or may not) be available from other investment advisers for similar or lower fees.

Item 6-Performance Based Fees

The Capital Growth Investment Advisory Services’ fees are not based on a share of the capital gains or capital appreciation of managed securities.

Item 7-Types of Clients

The Capital Growth Investment Advisory Services generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations and corporations or business entities.

No Minimum Account Requirements: The Capital Group Investment Advisory Services does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than the Firm. In these instances, The Capital Group Investment Advisory Services may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

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

Methods of Analysis

The Capital Group Investment Advisory Services may utilize a combination of largely fundamental and cyclical methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer.

For The Capital Group Investment Advisory Services, this process typically involves an analysis of an issuer’s management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm’s model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that The Capital Group Investment Advisory Services is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

Prior to developing an investment strategy tailored to each client, The Capital Group Investment Advisory Services gathers and analyzes detailed information about the client, including goals, existing investments, insurance coverage, sources of income and other assets and liabilities. The Firm then seeks to define the client's investment objectives and risk profile, which together form the basis for the selection and diversification of investments. Once an initial investment strategy is established, The Capital Group Investment Advisory Services' investment advisors continually monitor its clients' portfolios, making changes as needed.

Market, Security and Regulatory Risks

Any investment with The Capital Group Investment Advisory Services as an Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below.

MARKET RISKS

Competition: The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility: The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Investment Activities: The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information: By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information: The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the

Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities: The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies: The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Leverage: When deemed appropriate by the Adviser and subject to applicable regulations, the Adviser may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

Options and Other Derivative Instruments: The Adviser may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls on some of the securities held by the Adviser. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates; changing supply and demand relationships; trade, fiscal, monetary and exchange control programs and policies of governments; and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions: Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques are commonly utilized by investment funds to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same

developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk: The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk: Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to "call" all or part of the issue before the bond's maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk: Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments: From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser's net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser's investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser's foreign currency

holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.

- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risk of Default or Bankruptcy of Third Parties: The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

REGULATORY RISKS

Strategy Restrictions: Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations: For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest: In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations: The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

SECURITY SPECIFIC RISKS

Liquidity: Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

Currency: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Alternative Strategy Mutual Funds: Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.

Exchange-Traded Funds (ETFs): ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly traded companies. The prices of ETFs may differ from the underlying value of the securities within the ETF by the fact they are traded on an exchange and thus exposed to the supply and demand forces of market participants. Price premiums and discounts arise, especially for those ETFs that aren't traded very frequently. ETFs shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities such as the equity and fixed income risks discussed above. In addition, shareholders are liable for taxes on any fund-level capital gains, as ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Leveraged and Inverse ETFs, ETNs and Mutual Funds. Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.

Item 9-Legal and Disciplinary

Neither The Capital Growth Investment Advisory Group nor any of the Firm's officers, directors, or other management persons, have been involved in any legal or disciplinary events in the past ten (10) years requiring additional disclosures in response to this Item.

Item 10-Other Financial Industry Activities and Affiliations

Some individuals providing investment advice on behalf of The Capital Growth Investment Advisory Services are separately registered as registered representatives of Purshe Kaplan Sterling Investments, an unaffiliated broker-dealer, member of the Financial Industry Regulatory Authority, Inc. (FINRA) and the Securities Investors Protection Corporation (SIPC). These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

Please note that for certain retirement plan clients, The Capital Growth Investment Advisory Services provides investment advice to client plans/accounts as a fiduciary under the Employee Retirement Security Act of 1974, as amended (ERISA). Any such investment advice is solely the responsibility of The Firm, which is independent of Purshe Kaplan Sterling Investments. Purshe Kaplan Sterling Investments is not acting as an ERISA fiduciary for client plans/accounts, and neither provides, oversees nor monitors (i) any investment advice a client may receive from The Capital Growth Investment Advisory Services or (ii) the compliance of The Capital Growth Investment Advisory Services with applicable law including but not limited to ERISA fiduciary standards and prohibited transaction rules.

Certain individuals are also insurance agents. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients.

While The Capital Group Investment Advisory Services endeavors to put the interest of the clients first as part of the Firm's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may affect the judgment of individuals when making recommendations. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

The Capital Group Investment Advisory Services is overseen by Baldwin Krystyn Sherman Partners, LLC and is an indirect subsidiary of Baldwin Risk Partners, LLC. In certain instances, The Capital Group Investment Advisory Services and other affiliates of Baldwin Risk Partners, LLC may share revenues and/or expenses related to clients the firms may have in common. Therefore, The Capital Group Investment Advisory Services and other affiliates of Baldwin Risk Partners, LLC have an incentive to refer prospective clients to their affiliated entity. Clients are under no obligation to establish a relationship with the firm to which they are referred.

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

Code of Ethics

The Capital Group Investment Advisory Services has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons

to report their personal securities transactions and holdings quarterly to the Adviser's Compliance Officer and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser's Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser's Code of Ethics by contacting The Capital Group Investment Advisory Services Compliance Officer.

Participation or Interest in Client Transactions

The Capital Group Investment Advisory Services or individuals associated with the Firm may buy or sell securities identical to those recommended to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security, which may also be recommended to a client. Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security, either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Personal Trading

The Capital Group Investment Advisory Services Compliance Officer reviews employee trades each quarter (except for her own trading activity that is reviewed by a principal or officer of the Firm, if applicable). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Item 12-Brokerage Practices

Brokerage Selection and Soft Dollars

The Capital Group Investment Advisory Services generally uses Fidelity Institutional Wealth Services (*Fidelity*) for investment management accounts. The Capital Group Investment Advisory Services is independently owned and operated and is not affiliated with Fidelity. Clients must open an account with Fidelity by entering into an account agreement directly with them.

The Firm takes into account a number of factors when recommending a brokerage firm including commission rates, the financial stability and reputation, the quality of the investment research, investment strategies, special execution capabilities, clearance, settlement, custody, record keeping and other services the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers. *Fidelity* enables The Capital Group Investment Advisory to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by the Firm's clients comply with The Capital Group Investment Advisory Services duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to affect the same transaction where The Capital Group Investment Advisory Services determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. The Capital Group Investment Advisory Services seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

The Capital Group Investment Advisory Services will seek to achieve the best execution possible but this does not require the Firm to solicit competitive bids and the Firm does not have an obligation to seek the lowest available commission cost. The Adviser is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services provided by the broker which are included in the commission rate.

The Capital Group Investment Advisory Services does not currently maintain any formal soft dollar arrangements with Fidelity, however due to the relationship with Fidelity, The Capital Group Investment Advisory Services receives certain benefits to help the Firm manage and administer client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); the capability to execute, clear and settle trades; availability of investment research and tools that assist us in making investment decisions; capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.); and assists with back-office functions, record-keeping and client reporting.

The Capital Group Investment Advisory Services relationship with Fidelity which provides benefits other than execution creates a conflict of interest because The Capital Group Investment Advisory Services has an incentive to recommend Fidelity based on its interest in receiving research and related services. The Capital Group Investment Advisory Services examined this conflict of interest when the Firm decided to enter into a relationship with Fidelity and determined that the relationship is in the best interest of The Capital Group Investment Advisory Services' clients and satisfies the Firm's client obligations, including the duty to seek best execution. It is the policy and practice of The Capital Group Investment Advisory Services to strive for the best price and execution costs which are competitive in relation to the value of the transaction. Nevertheless, clients should understand that they may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge; the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research or other services provided; and the Adviser makes no warranty or representation regarding compensation paid on transactions.

A client may direct The Capital Group Investment Advisory Services, in writing, to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by The Capital Group Investment Advisory Services. As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on

transactions for the account than would otherwise be the case. Subject to its duty of best execution, The Capital Group Investment Advisory Services may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Order Aggregation

The Capital Group Investment Advisory Services may, but is not required to, engage in block trading (the bunching or aggregation of transactions) in cases where two (2) or more client accounts are transacting in the same security on the same day. The Capital Group Investment Advisory Services has adopted trade aggregation policies and procedures to ensure that all accounts are treated fairly when orders are aggregated for execution. Trades, where necessary, are allocated to advisory clients in a manner that fulfills the Firm's fiduciary obligations to each client and otherwise allocates securities on a good faith basis that is objective, fair, equitable, consistently applied, and does not unfairly discriminate against any advisory client based upon account performance or other factors. For instance, clients in aggregated transactions each receive the same price per security. If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If The Capital Group Investment Advisory Services is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Firm will allocate the filled portion of the transaction to clients on a pro rata basis.

The Capital Group Investment Advisory Services may choose not to aggregate trades for several reasons, including, but not limited to: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, The Capital Group Investment Advisory Services may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Item 13- Review of Accounts

Account Reviews: For those clients to whom The Capital Group Investment Advisory Services provides investment management services, The Capital Group Investment Advisory Services monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom The Capital Group Investment Advisory provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of the Firm's Principals. All investment advisory clients are encouraged to discuss their needs, goals and objectives with The Capital Group Investment Advisory Services and to keep the Firm informed of any changes thereto. The Firm

contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Account Statements and Reports: Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. On a quarterly basis or as otherwise requested, clients may also receive written or electronic reports from The Capital Group Investment Advisory and/or an outside service provider, which contain certain account and/or market- related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from The Capital Group Investment Advisory or an outside service provider.

Those clients to whom The Capital Group Investment Advisory Services provides financial planning or consulting services will receive reports from the Firm summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by The Capital Group Investment Advisory Services.

Review Triggers

The Capital Group Investment Advisory Services reviews accounts annually or more frequently when market conditions or the size of the account dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

Regular Reports

The custodian sends written brokerage statements directly to clients no less than quarterly. These reports list the account positions, activity in the account over the covered period, and other related information. In addition to the regular statements, clients receive from their custodian, The Capital Group Investment Advisory Services may periodically send clients newsletters, upload investment performance reports to the client portal; and may also upload other reports to the client portal on an ad hoc basis.

The Capital Group Investment Advisory Services encourages clients to compare the reports received from The Capital Group Investment Advisory Services to those statements sent by the account custodian.

Item 14-Client Referrals and Other Compensation

If a client is introduced to The Capital Group Investment Advisory Services by either an unaffiliated or an affiliated solicitor, The Capital Group Investment Advisory Services may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from the Firm's investment management fee and does not result in any additional charge to the client.

Other Compensation

The Capital Group Investment Advisory Services may receive from *Fidelity*, without cost to The Capital Group Investment Advisory, computer software and related systems support, which allow

The Capital Group Investment Advisory to better monitor client accounts maintained at *Fidelity*. The Capital Group Investment Advisory Services may receive the software and related support without cost because the Firm renders investment management services to clients that maintain assets at *Fidelity*.

The software and related systems support may benefit The Capital Group Investment Advisory Services, but not its clients directly. In fulfilling its duties to its clients, The Capital Group Investment Advisory Services endeavors at all times to put the interests of its clients first. Clients should be aware however, that the Firm's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, The Capital Group Investment Advisory Services may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a potential conflict of interest and may indirectly influence The Capital Group Investment Advisory Services' recommendation of *Fidelity* for custody and brokerage services.

The Capital Group Investment Advisory Services associates may also receive compensation on non-advisory business (i.e., brokerage and insurance commissions) related to the sale of securities or other investment products such as variable annuities, mutual funds, private placements and such non-investment related products as life and health insurance. Transaction-based compensation such as this is separate and distinct from the other fees The Capital Group Investment Advisory Services receives in connection with our investment advisory services.

Associates of The Capital Group Investment Advisory Services have an incentive to recommend these investment products based on the compensation they will receive from selling such products, rather than client's needs. Clients always have the option to purchase investment or insurance products that are recommended by our IARs from other brokers or agents that are not affiliated with the Firm.

Item 15-Custody

In February 2017, the SEC issued a no action letter with respect to the Rule 206(4) 2 (Custody Rule) under the Investment Advisers Act of 1940 (Advisers Act). The letter provided guidance on the Custody Rule as well as clarifies that an adviser who has the limited power to disburse Client funds to a third party under a standing letter of authorization ("SLOA") is deemed to have custody. As such, our firm has adopted the recommended safeguards in conjunction with our custodian:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client's signature, the third party's name, and either the third party's address or the third party's account number at a custodian to which the transfer should be directed.
2. The client authorizes the investment adviser, in writing, either on the qualified custodian's form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

3. The client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client's authorization and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client's qualified custodian.
5. The investment adviser has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client's instruction.
6. The investment adviser maintains records showing that the third party is not a related party of the investment adviser or located at the same address as the investment adviser.
7. The client's qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Should The Capital Group Investment Advisory Services determine the Firm maintains SLOAs on file for clients, the Firm will implement the appropriate SEC guidelines to meet the identified oversight level for the business model.

The Capital Group Investment Advisory Services does not accept or permit the Firm or its associated persons from obtaining physical custody of client assets including cash, securities, acting as trustee, providing bill paying service, having password access to control account activity or any other form of controlling client assets. All checks or wire transfers to fund client accounts are required to be made out to/sent to the account custodian.

Account Statements

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies. The Capital Group Investment Advisory Services also advises each client to carefully review these statements and compare such official custodial records to the account reports provided by The Capital Group Investment Advisory Services. The Firm reports may vary from custodial statements based on accounting procedures, accrued income, reporting dates, or valuation methodologies of certain securities. The Capital Group Investment Advisory Services takes discretion over the following service(s):

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The Independent Managers to be hired or fired

Item 16- Investment Discretion

The Capital Group Investment Advisory Service may be given the authority to exercise discretion on behalf of clients. The Capital Group Investment Advisory Services is considered to exercise investment discretion over a client's account if it can affect transactions for the client without first having to seek the client's consent. The Capital Group Investment Advisory is given this authority through a power-of-attorney included in the agreement between The Capital Group Investment Advisory Services and the client. clients may request a limitation on this authority (such as certain securities not to be bought or sold).

Item 17-Voting Client Securities

The Capital Group Investment Advisory Service does not have authority to and does not vote proxies on behalf of its clients. Clients are instructed to inform their custodian that The Capital Group Investment Advisory Service should not be designated as the party to receive information on voting client proxies. The obligation to vote client proxies remains with the client. Clients may contact the Firm for advice or information about a particular proxy vote. However, The Capital Group Investment Advisory Service is not considered to have proxy-voting authority solely as a result of providing such advice to clients. Should The Capital Group Investment Advisory Service inadvertently receive proxy information for a security held in a client's account, the Firm will promptly forward such information on to the client but will not take any further action with respect to the voting of such proxy.

Item 18-Financial Information

The Capital Group Investment Advisory is not required to disclose any financial information pursuant to this Item due to the following:

The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;

The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and

The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Business Continuity Plan

The Adviser has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snowstorms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Summary of Business Continuity Plan

A summary of the business continuity plan is available upon request to The Capital Growth Investment Advisory Services' Chief Compliance Officer.

Information Security Program

Information Security

The Adviser maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Practices

Below is a summary of the Adviser's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client advisory agreement and may be obtained by contacting the Compliance Officer of the Adviser.

TYPES OF NONPUBLIC PERSONAL INFORMATION THE FIRM COLLECTS

The Capital Growth Investment Advisors Services collect nonpublic personal information about you that is either provided to us by you or obtained by us with your authorization. This can include but is not limited to your Social Security Number, Date of Birth, Banking Information and Financial Account Numbers and/or Balances, Sources of Income, or other Information. When you are no longer our client, we may continue to share your information only as described in this notice.

PARTIES TO THE FIRM DISCLOSES INFORMATION

All investment advisers may need to share personal information to run their everyday business. In the section below, we list the typical reasons that we may share your personal information:

- For everyday business purposes – such as to process your transactions, maintain your account(s), or respond to court orders and legal investigations, or report to credit bureaus;
- For our marketing – to offer our products and services to you; or
- For our affiliate's everyday business purposes – information about your transactions and experiences

If you are a new client, we may begin sharing your information on the day you sign our agreement. When you are no longer our customer, we may continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.

PROTECTING THE CONFIDENTIALITY OF CURRENT AND FORMER CLIENT'S INFORMATION

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law, including physical, electronic and procedural security measures such as computer safeguards and secured files and building.

FEDERAL LAW GIVES YOU THE RIGHT TO LIMIT SHARING – OPTING OUT

Federal law allows you the right to limit the sharing of your NPI by “opting-out” of the following: sharing for affiliates' everyday business purposes – information about your creditworthiness; sharing with affiliates who use your information to market to you; or sharing with non-affiliates to market to you. State laws and individual companies may give you additional rights to limit sharing. Please notify us immediately at our address or telephone number if you choose to opt out of these types of sharing.

DEFINITIONS:

Affiliates – Financial or nonfinancial companies related by common ownership or control

Non-affiliates – Financial or nonfinancial companies not related by common ownership or control

Joint marketing – a formal agreement between non-affiliated financial companies that together market financial products or services to you.