

# Form ADV Part 3 – Client Relationship Summary

Date: 05/04/2020

## Item 1: Introduction

CAPITAL INVESTMENT ADVISORS is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. This document gives you a summary of the types of services and fees we offer. Please visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

## Item 2: Relationships and Services

*Questions to ask us: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

What investment services and advice can you provide me? Our firm primarily offers the following investment advisory services to retail clients: portfolio management (we review your portfolio, investment strategy, and investments); financial planning (we assess your financial situation and provide advice to meet your goals); solicitor/selection of other advisers (we select a third party adviser for you to use). As part of our standard services, we typically monitor client accounts on an annual basis. Our firm offers both discretionary advisory services (where our firm makes the decision regarding the purchase or sale of investments or we manage the third party asset manager) as well as non-discretionary services (where the retail investor makes the ultimate decision). We do *not* limit the types of investments that we recommend. Our firm does *not* have a minimum account size except as required by the various strategists and third party asset managers we utilize. Please also see our Form ADV Part 2A ("[Brochure](#)"), specifically Items 4 & 7.

## Item 3: Fees, Costs, Conflicts, and Standard of Conduct

*Questions to ask us: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me? What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have? How might your conflicts of interest affect me, and how will you address them?*

What fees will I pay? Our fees vary depending on the services you receive. We charge a separate fee for financial planning services and for investment management services. Our **Investment Management Fees** are tiered based on total assets under management. The amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the lower your advisory fee will be as a percent of total assets. The lower your total asset balance under management is the higher your advisory fee as a percent of assets will be. For hourly fee arrangements, each additional hour (or portion thereof) we spend working for you would increase the planning fee. **Initial Financial Planning Fees:** Our initial planning fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. The initial installment payment for our initial planning is due at the time the client signs the planning agreement. The initial payment is generally one half of the full fee. The balance of payment due will be invoiced upon presentation of the plan to the client. **Ongoing Financial Planning Fees:** The initial installment payment for our annual review services is due at the time the client signs the planning agreement. Clients may elect to pay the entire amount in advance or may elect to pay the first monthly or quarterly installments in advance. All annual review contracts automatically renew each year and are cancellable by the client at any time in writing. After the initial year, clients electing to pay for our Annual Review services on a periodic basis will be billed via invoice when

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payment is due. If a credit card is on file or you have elected for payment from your investment account for monthly, quarterly, or annual payment, CIA will automatically charge this credit card. As your assets under our management increases, your annual review fees decrease. Conversely, when your assets under our management decrease, your annual review fee will increase. We have adopted this approach as clients who are generally spending down assets require more ongoing annual financial planning and support in this phase of their life.

You pay our fees even if you do not have any transactions and the advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our [Brochure](#).

**Third Party Costs:** Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. You will also pay fees to a custodian that will hold your assets. **You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.** Please also see our [Brochure](#) for additional details.

**Conflicts of Interest:** *When we act as your investment adviser,* we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

**How do your financial professionals make money?** Primarily, we and our financial professionals benefit from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. Our financial professionals also have the ability to receive commissions from clients. Please also see Item 10 of our [Brochure](#) for additional details.

## Item 4: Disciplinary History

**Questions to ask us:** *As a financial professional, do you have any disciplinary history? For what type of conduct?*

**Do you or your financial professionals have legal or disciplinary history?** We do not have legal and disciplinary events. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

## Item 5: Additional Information

**Questions to ask us:** *Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*

For additional information on our advisory services, see our [Brochure](#) available at <https://adviserinfo.sec.gov/firm/summary/118269> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date, or want another copy of this Client Relationship Summary, then please contact us at 240-482-4000.