

## Customer Relationship Summary

We are registered with the Securities and Exchange Commission as an *investment adviser*. The services provided and fees charged by *investment advisory* and *brokerage* firms differ. We are not a brokerage firm yet are, through one of our firm's individual owners, affiliated with a brokerage firm and other investment advisory firms. Those firms are not involved in creating or managing our investment portfolios or daily firm operations. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers, broker-dealer firms, and investing.

### *What investment services and advice can you provide me?*

We are an **investment advisory firm** that provides asset management for retail investors and other clients (including but not limited to institutions and retirement plans).

Retail clients may work with us directly. Additionally, many of our clients are referred to us by third-party solicitors who are individuals who might or might not be affiliated with us through our affiliation with a brokerage firm. We do not have wrap fee programs or other ways clients can receive our services without engaging our firm directly or through third-party solicitors. We do not enforce a minimum account size.

For the portfolios that we create for clients, clients must choose and document in writing in our investment advisory agreement package their equity (stock) versus fixed income (bond and cash equivalents) allocations. Clients can choose that allocation from among several percentage mixtures ranging from 100% equity to 100% fixed income and cash. We can discuss this choice with clients and help them in their decision. Relevant factors for that decision can include among many factors, their age and goals for the portfolio.

We manage those portfolios on a discretionary basis. The client can ask us not to own specific securities or types of investments. All client assets are held and traded at custodian firms that are independent of and unaffiliated with us. We actively monitor client accounts and make appropriate changes in the client's portfolio based upon the allocation percentages chosen by the client (as mentioned above) and the investment holdings that we choose based upon our qualitative and quantitative analysis. While this analysis offers no guarantee for client portfolio results or specific portfolio holdings results, we continue to review and refine our

analysis and portfolio management and their results based upon our research and years of experience.

We can purchase for clients any security type—as examples, anything from individual stocks to mutual funds and exchange-traded funds.

More detailed information regarding our services and about the individuals in our firm is in our [Form ADV, Part 2 Brochure and Supplement](#).

*The following are questions or conversation starters which you might wish to ask in choosing an investment advisory firm:*

*“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 fees will I pay?*

*Fees.* Our fees charged are in our written investment advisory agreement. Generally, our fees are charged quarterly in advance and are deducted directly from the client’s portfolio each quarter. While we can charge in arrears and bill a client for us to be paid by check, because we find that inefficient and cumbersome for our firm and the client, we prefer not to do so. While, in all client accounts that we manage currently, we charge fees as a percentage of the client’s assets under management, calculated at the close of each calendar quarter or month (as applicable), we welcome client suggestions to enter into flat dollar sum fee arrangements.

Our client’s investment advisory fees are negotiable and are generally 1.00% annually (or, to be mathematically precise, that 1.00% divided by 4 quarters or 12 months, depending upon the client payment frequency) and are never more than 1.50%. Where a third-party solicitor (as referenced above) is the source of the relationship, they receive no less than one-half of the investment advisory fee paid to them (or, if they are licensed at a brokerage firm, after we pay that sum to the brokerage firm, they receive the percentage payout that they independently contract with that brokerage firm to pay them).

Our firm receives no other revenue of any kind from any individual or entity.

Our advisory fees are separate and distinct from fees and expenses charged by the client's investments. For example, a mutual fund or exchange-traded fund has fees and expenses described in the fund's prospectus. Those fees and expenses are separate from expenses and fees paid to third parties, such as custodians. An example of a custodian that our clients may choose for their account is Charles Schwab & Co. Charles Schwab & Co. is independent of and unaffiliated with us.

Fees and costs will reduce any return you make. Because we charge an asset-based fee, the total dollars in fees you pay us will increase with an increase in the size of your account and will decrease if your portfolio size declines. While this creates an incentive for us to recommend that you increase the assets in your account, we hope that, in addition to the client adding assets to the portfolio, the portfolio's investment results increase the portfolio size. By managing the portfolio, we hope to increase the value of the portfolio and otherwise satisfy client needs. There is no guarantee that any firm can do so.

More detailed information regarding fees and costs is provided in our [Form ADV, Part 2 Brochure](#).

*While some of these sample questions below might have been addressed otherwise above and elsewhere, other questions that a client considering our firm could ask include:*

*“How might fees and costs might affect my investments. If I give you \$100,000 to invest, can you give me an example?”*

*“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?”*

[When we act as your investment adviser, we must act as a fiduciary. This means that we must act in your best interest and not put our interest ahead of yours.]

*“How might your conflicts of interest affect me, and how will you address them?”*

*“How do your financial professionals make money?”*

*“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 this person?”*

*“Do you or your financial professionals have legal or disciplinary history?”*

[As of the date of this document, no. For a free and simple search tool to research us and our financial professionals, please go to [Investor.gov/CRS](https://investor.gov/CRS).]

### *Additional Information*

For additional information regarding us (including an up-to-date copy of this statement), please contact us by telephone at 919.865.1930 or visit our website at <https://www.capitaladvisersinc.com>.