

# FORM ADV, PART 2A

## DISCLOSURE BROCHURE | March 31, 2025

This document provides information about the qualifications and business practices of Capitol Securities Management, Inc. If you have any questions about the contents of this document, please contact us at 804.612.9700 or [khallberg@capitolsecurities.com](mailto:khallberg@capitolsecurities.com)

The information in this document has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration as an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information Capitol Securities Management is available on the SEC's website at: [adviserinfo.sec.gov](http://adviserinfo.sec.gov).

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## Item 2 - Material Changes

In this section, Capitol Securities Management, Inc. ("CSM," the "Firm," or "We") will discuss material changes to this disclosure since its last annual amendment. The last filing of our Form ADV Part 2A was on March 28, 2024.

The current ADV Part 2A is available online through the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To access it:

1. Click Investment Advisor Search in the left navigation menu.
2. Select Investment Advisor Firm and enter 14169 (our Firm's CRD number) in the "Firm IARD/CRD Number" field.
3. This will provide access to Form ADV Part 1, Part 2A, and our Wrap Fee Program Brochure.

You may also request a copy at any time by contacting the Chief Compliance Officer at 804.612.9700 or emailing [khallberg@capitolsecurities.com](mailto:khallberg@capitolsecurities.com)

There have been no material changes to this document since the last filing.

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## Item 4 - Advisory Business

### About Us

Founded in 1985, Capitol Securities Management, Inc. is a privately owned full-service retail brokerage and investment advisory firm headquartered in the Mid-Atlantic. Since our inception, we have approached financial management with a unique philosophy that makes our clients and advisors our first priorities. We empower our investment professionals to provide personalized wealth management services and portfolio designs based on their clients' individual needs. We offer insurance and investment products and services directly and through our clearing custodian, Raymond James & Associates Asset Management Services ("RJA", "Raymond James, or the "Custodian"), member New York Stock Exchange/SIPC. CSM has no banking division and does not develop any proprietary products for sale to clients. CSM is owned 100% by CS Financial Group Inc., a holding company formed in Delaware. Joseph A. Jianos, Chief Executive Officer of CSM, is the largest shareholder of the holding company.

### Investment Advisory Services

CSM offers a variety of service options to its clients and its investment adviser representatives ("IARs"). All services are not necessarily intended for all clients. A client will execute an agreement with CSM, or Custodian, which will outline the services to be provided to the client and the IAR shall be responsible for providing investment advice to the client.

CSM and its IARs will provide investment advice and portfolio management on a continuous basis to its clients. The IAR Managed programs can be discretionary or non-discretionary and it is the IAR that would exercise discretion. In a discretionary account, you delegate to your investment adviser the authority to decide what securities to buy or sell for your account. In a non-discretionary account, your investment adviser will provide you with advice in the form of recommendations but the decision to buy or sell securities is made by you. Through personal discussions with the client, during which the client's goals and objectives are established based on the client's particular circumstances, the IAR will develop the client's personal investment policy. During the data-gathering process, the IAR will determine, among other things, the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, the IAR may also review and discuss a client's prior investment history, as well as family composition and background.

Our investment recommendations are not limited to any specific product or service offered by an asset manager, broker-dealer or insurance company and will generally include advice regarding the following types of securities:

Exchange-listed securities	Mutual fund shares	Exchange-traded funds
U.S. governmental securities	Over-the-counter securities	Foreign issuers
Corporate debt securities	Warrants	Commercial paper
Certificates of deposit	Municipal securities	Variable life insurance
Variable annuities	Options contracts on securities	Interests in partnerships
Investing in real estate	Investing in oil and gas interests	Advisory UITs

Because some types of investments involve certain additional degrees of risk, they will only be implemented or recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Clients may impose reasonable restrictions on investing including restrictions on specific securities, types of securities, and/or industry sectors. Once the client's portfolio has been established, we review the portfolio periodically and if necessary, rebalance the portfolio as deemed appropriate based on the client's individual needs.

Client assets will be maintained in Separately Managed Accounts ("SMAs") which may then be managed on an individual client basis or may be invested in the wrap fee program managed by CSM or a third-party advisor recommended and/or selected by CSM.

### Wrap Fee Programs sponsored by CSM

The Firm offers a selection of wrap fee programs through the Capitol Securities Wrap Fee Program (the "Program"). The Program provides access to a variety of investment programs and styles for use in client accounts where a CSM IAR serves as Portfolio Manager and CSM serves as the Co-Sponsor. The investment programs are more fully described in CSM's Wrap Fee Program Brochure ("Wrap Brochure"). If a client participates in the Program, the client will pay a single advisory fee that includes investment management and portfolio monitoring. A Wrap Fee Program Brochure is presented to the client by CSM before investing in the Program. The Firm's Wrap Fee Program Brochure is available upon request at any time by calling our Chief Compliance Officer, Katherine Hallberg at 804.612.9700 or by emailing [khallberg@capitolsecurities.com](mailto:khallberg@capitolsecurities.com). You can also access the CSM Wrap Fee Program Brochure on the SEC's website at [adviserinfo.sec.gov](http://adviserinfo.sec.gov) and entering the Firm's CRD # 14169 or directly on CSM's website at: <https://www.capitolsecurities.com/regulatory-disclosure>.

IAR's are required to provide you with a current Form ADV Part 2B, which includes information regarding the IAR's education, business experience, disciplinary information, other business activities, additional compensation, and supervision. You may also obtain additional information regarding your IAR, such as licenses, employment history, regulatory disciplinary information (if any), and whether he or she has received reportable complaints from investors from the SEC at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). Should you have any concerns regarding any of the information contained in your CSM IAR's Form ADV Part 2B, you are encouraged to contact our Compliance Department at 804-612-9700.

### Wrap Fee Programs sponsored by Third Party Money Managers

As part of the advisory services provided by CSM, the Firm offers a selection of wrap fee programs sponsored by our clearing custodian Raymond James & Associates ("RJA", "Raymond James, or the "Custodian"). The wrap fee programs sponsored by Raymond James are not described in this brochure. Detailed information about these advisory programs are available in the RJA Wrap Fee Program Brochure which can be found at [raymondjames.com/legal-disclosures](http://raymondjames.com/legal-disclosures).

The RJA Programs provide access to a variety of investment programs and styles for use in client accounts utilizing various third-party

money managers ("Money Managers") which are accessible through the Custodian's platform. The RJA Programs are fully described in the RJA Wrap Fee Program Brochure ("RJA Wrap Brochure"). The RJA Programs will be offered in partnership with the Custodian, who will provide custody services, access to various Money Managers and due diligence services.

For wrap fee programs sponsored by RJA, Money Managers will have access to a profile for each client they manage. The information they have access to may include client name(s), client address, social security number, date of birth, annual household income, net worth, investment time horizon, and if the client or manager chooses to act on proxies. Each Manager has a unique secure username and password. It is the IAR's responsibility to update the client profile as needed. All client contact and communications regarding participation in the program will occur through the IAR. CSM will promptly advise the Money Managers of any changes to the client's investment objectives and financial situation.

CSM may recommend the investment strategies of Money Managers to its clients through the RJA Program described above. For those Money Managers accessed through the RJA Program, CSM has performed a due diligence review of the vetting process used by RJA and will monitor its effectiveness. The IAR will select an appropriate program or Money Manager with which to invest the client's assets. If a Money Manager is selected to manage a portion of a client's assets, the client may be required to execute a separate agreement or account opening documentation with the Money Manager. The RJA Wrap Fee Program Brochure describes the investment strategy, the fees to be charged and the services to be performed by the Money Manager.

### **Comprehensive Financial Planning**

CSM offers financial planning services to its clients. Financial planning is a comprehensive evaluation of a client's current situation and that client's future goals and objectives. Through the financial planning process, all questions, information, and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. A client purchasing this service receives a written report which provides the client with a detailed financial plan designed to assist the client towards achieving his or her financial goals and objectives. Financial planning services may be offered for a single, one-time plan, or clients may choose to engage CSM to perform ongoing monitoring of their financial plan, investments, financial situation, and financial objectives on a year-round basis. In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information, and financial goals.
- **TAX & CASH FLOW:** In coordination with the client's tax planning professional, we analyze the client's income tax, spending and planning for past, current and future years; we then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investments and their effect on the client's portfolio
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

The Firm gathers required information through in-depth personal interviews. This information includes the client's current financial status, tax status, future goals, desired returns, objectives, and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion. We may also provide general non- securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically, the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly supplied.

### **Consulting Services**

The Firm's IARs may provide advice regarding various financial topics where no financial plan or written report is provided to the client. Topics for which consulting services may be provided may include:

Financial Plan Analysis	Retirement Planning	Cash Flow Analysis
College Planning	Divorce Planning	Budgeting
Business Planning	Tax Planning	Realized Gain/Loss Report
Account Re-registrations	Estate Re-organizations	Savings Bond Evaluations
Beneficiary Changes	Asset Allocation Services	401(k) Asset Allocation
Stock Re-registration/Rule 144	Stock Account Registration Change	Savings Bond Evaluation
Change of Beneficiary	Realized Gain/Loss Reports	Death Claim/Estate Processing

### **Pension Consulting Services**

With respect to advisory services provided to the sponsor of a pension plan, CSM may provide some or all of the following services:

- Due diligence on existing, potential, and selected investment managers and/or service providers
- Retirement plan asset-class menu recommendations
- Investment policy statement review or its development and implementation
- Trustee education
- Plan design recommendations
- Plan mid-year and year-end reviews with trustee(s), as appropriate
- Investment monitoring reports

- Substitution recommendations
- Watch list recommendations
- Model portfolio generation for participants
- Participant educational workshops
- Site visits when/where needed, upon request

Upon request, CSM can review an existing or prepare a new investment policy statement (IPS) or similar plan document. The purpose of the IPS is to assist investment committees or plan sponsors in effectively supervising, monitoring and evaluating the company's retirement plan. Topics may include:

- Investment committee's expectations, objectives and guidelines for the plan, as well as ensuring effective communications between the investment committee and all parties involved with investment management decisions;
- Establishing formal criteria for provider selection and evaluation; and,
- Complying with all ERISA, fiduciary, prudence and due diligence requirements applicable with laws, rules and regulations from various local, state or federal entities that may impact plan assets.

### **Educational Seminars and Workshops**

CSM's IARs may conduct seminars for consumers, corporations, associations, nonprofit organizations and community and religious groups on a variety of personal finance topics. The IAR creates presentations, which are reviewed by the IAR's designated supervisor or the Compliance Department. These presentations are designed to educate participants on complex financial concepts. Please refer to the Non-Cash Compensation paragraph noted in Item 5 for additional disclosures related to seminars and workshops.

### **Assets Under Management**

As of December 31, 2024, CSM had approximately \$1.8 billion in assets under management, approximately \$1.5 billion of which was managed on a discretionary basis and approximately \$284 million of which was advised on a non-discretionary basis.

## **Item 5 - Fees and Compensation**

### **Financial Planning and Consulting Services Fees**

CSM's fees for financial planning and consulting services are determined based on the nature of the services provided, the complexity of each client's circumstances, and the skills and experience of the IAR engaged by the client. All fees are agreed upon in advance and evidenced via a written agreement. Client shall make and shall be solely responsible for any and all decisions as to whether to follow or disregard, wholly or partially, any information, recommendation, and/or advice provided by IAR. Clients are not obligated to implement recommendations made in a financial plan through CSM.

#### **Financial Planning Fees**

The financial planning service fee for a single, one-time plan may be billed on a fixed fee or an hourly basis. For a fixed fee engagement, the client will be required to pay one-half of the fixed fee upon execution of the agreement. The balance will be due upon delivery of the financial plan to the client.

Hourly fees for financial planning will be billed monthly or quarterly in arrears, as agreed upon with the client. An invoice will be provided to the client and the fee will be collected from the advisory or brokerage account designated by the client. Financial planning hourly fees will generally range from \$150 to \$500 per hour. Fixed fees will depend on the level and scope of the services required and the expertise of the professionals rendering service.

#### **Ongoing Financial Planning Fees:**

A client may engage the IAR to provide financial planning with on-going monitoring of the plan. Such an arrangement may be billed based on an annual fixed fee or on an annual percentage of a client's net worth. For an annual fixed fee, the fee will be payable in advance on an installment basis at the calendar month-end or quarter-end. The first payment will be prorated to cover the period from the date the Agreement is signed through the end of the current calendar quarter.

Annual fees based on a client's net worth will be calculated upon initial execution of an agreement between CSM and the client. Each year, the client will be provided with an invoice upon completion of the plan. The maximum percentage charged for financial planning with ongoing monitoring will be 1.00% per annum, as agreed by contract.

#### **Termination**

This Agreement may be terminated at any time, by either party, for any reason with written notice. Certain fees may be paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro-rate the reimbursement according to the number of days remaining in the billing period.

#### **Consulting Fees**

To the extent requested by the client, CSM may provide consulting services regarding non-investment related matters, such as estate planning, tax planning and insurance, among other matters. Neither CSM nor any of its IARs serve as an attorney or licensed insurance agent, and no portion of the CSM's services should be construed as such. To the extent requested by a client, the IAR may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from CSM. Consulting fees charged by CSM I generally range from \$150 to \$500 per hour. In some instances, CSM may charge a fee for Portfolio Analysis and Review ("PAR Fee"). The fee is between 0.00% - 0.75% and is a one-time charge. It is the client's responsibility to promptly notify CSM of any material changes in the client's financial situation or investment objectives.

## **Fees for Pension Consulting Services**

CSM's fees for pension consulting and management services are based on the nature of the services being provided, the complexity of the benefit plan, and the skills and experience of the IAR engaged by the plan sponsor. Fees may be for a flat, annual fee, or a percentage of assets under management. All fees are agreed upon in advance and documented in a written Agreement with any plan sponsor.

When offering consultation and plan management services on a fixed fee basis, fees will typically range from \$1,000 up to \$125,000 per year. For an annual fixed fee, the fee will be payable in advance on an installment basis at the end of the calendar quarter. The first payment will be prorated to cover the period from the date the agreement is signed through the end of the current calendar quarter. The first payment is due upon execution of the agreement.

Annual fees based on a plan's assets under management will be calculated upon initial execution of an Agreement between CSM and the plan sponsor. The fee is typically based on the reporting period ending value of plan accounts (e.g., the last market day of the quarter). The first billing cycle typically begins once the agreement is executed, and account assets have settled into an account held by the Custodian of record. The maximum percentage charged for pension consulting and plan management services will be 1.00% per annum, payable quarterly, in advance, in accordance with the Agreement.

## **Advisory Program Fees**

### **Fees for Investment Advisory Services**

CSM's advisory fee for providing investment advisory advice is calculated as a percentage of assets under management in the account, payable in advance, on a quarterly or monthly basis depending on the type of program selected. Fees are deducted directly from your CSM account. Your initial advisory fee will be based on your initial contribution and will generally be assessed for the remainder of the current billing period; the initial fee payment will become due in full on the date of account inception. There could be a short delay between account inception and initial securities transactions. Subsequent fees will be determined for calendar quarter or monthly periods and shall be calculated based on the market value of the securities and eligible cash held in a client's account on the last business day of the previous calendar quarter or month. When we calculate your fee, we use "Account Value," which may be different than the values as reported on your account statements. In your advisory agreement(s), which may include the Master Advisory Agreement, Account Value is defined as (i) the total of the absolute market values of each of the non-cash assets (e.g., securities, shares of funds, and other investment vehicles) in the account, long or short, in addition to the unrestricted cash, but (ii) excluding cash debit balances and non-billable assets (such as restricted cash for certain short positions). The maximum advisory fee is 2.0% per annum. CSM and the Custodian receive a portion of the advisory fee. The IAR receives a portion of the advisory fee as his or her compensation. While we have designed reasonable controls to monitor the accuracy of advisory fees, it is your responsibility to verify the accuracy of your advisory fees, including the advisory fee rate applied to your account(s).

### **Limited Negotiability of Advisory Fees**

We retain the discretion to negotiate alternative fees on a client-by-client basis. The specific annual fee is identified in the investment management agreement between the IAR and each client. Client facts, circumstances and needs are considered in determining the fee schedule. These include:

- Complexity of the client;
- Assets to be placed under management;
- Anticipated future additional assets;
- Related accounts;
- Portfolio style;
- Account composition; and
- Reports, among other factors.

You will pay costs and fees whether you make or lose money on your investments. Costs and fees will reduce any amount of money you make on your investments over time. Please make sure you understand what costs and fees you are paying. We make detailed information available to you regarding the investments and services we offer through prospectuses, applications, agreements, subscription documents. We encourage you to carefully review the information before you make an investment decision.

### **Fees when participating in Wrap Fee Programs sponsored by CSM**

For clients who participate in the Program, the client will pay a "Wrap Fee" which includes investment advisory services as well as brokerage execution costs, without regard to the number of transactions executed during the billing period. CSM has negotiated fees with each of its Custodians for clearing and execution services. Transaction costs imposed by each Custodian are covered as part of the Wrap Fee. Fees are paid monthly or quarterly in advance basis, based upon assets in the client account at the end of the preceding month. The IAR is paid from this Wrap Fee. The maximum Wrap Fee is 2.0% per annum based upon the market value of the securities and cash or cash equivalents in the client's account and the complexity of the client services provided. The exception to this is the program from Capital Group Companies, which calculates the fee on a quarterly basis, based upon the assets in the client account at the end of the preceding quarter and is paid quarterly, in advance. The fee for this program is fixed at 0.50% per annum based upon the market value of the securities and cash or cash equivalents in the client's account.

The Wrap Fee does not include certain account and securities related costs, including the fees embedded in the mutual funds, ETFs or annuities in which wrap fee accounts invest. In addition, the fee does not include debit balances, related margin interest, IRA and retirement plan fees, transfer fees, 12b-1 fees, wire transfer fees, overnight check fees, account closing fees, paper statement delivery fees, non-standard asset fees, insufficient fund fees, returned check fees, expenses charged by the mutual funds, expenses charged by the variable annuities and exchange traded funds, or other fees or taxes that are required by law. These fees will increase the net cost to clients.

Program Wrap Fees may vary from fees that might otherwise be charged if a client was to select a separate brokerage service and negotiate commissions in the absence of the additional advisory service provided by CSM. The overall cost associated with a client's

relationship with CSM (and the compensation we receive) varies depending on several factors, including: 1) a client's particular investment advice requirements and product preferences and 2) the value of a client's account or the client's household's relationship with the Firm.

For additional details on fees for wrap fee programs sponsored by CSM, please refer to the firm's Wrap Fee Program Brochure found here: <https://www.capitolsecurities.com/regulatory-disclosures/>.

### **Fees when participating in Wrap Fee Programs sponsored by Raymond James**

CSM IARs may recommend that client assets be sub-advised/managed by Money Managers who manage money according to a particular investment strategy that is appropriate and available to the Firm's clients. When investing with Money Managers, clients will do so under the RJA Programs. The Wrap Fee will include CSM's advisory fee and the Money Manager's fee and will cover the costs of typical transactions costs as described above.

For clients who participate in the RJA Programs, the client will pay a Wrap Fee which includes investment advisory services, as well as brokerage clearing and execution costs, without regard to the number of transactions executed during the billing period. RJA is responsible for setting the clearing and execution services. Transaction costs imposed by these brokerage firms are covered as part of the Wrap Fee. The Wrap Fee payable to discretionary Money Managers available through the RJA Programs typically ranges between forty and fifty basis points (0.40% – 0.50%) for equity and balanced accounts, and twenty to thirty basis points (0.20% - 0.30%) for fixed income accounts but may vary due to incremental rate negotiation between RJA Programs and the Money Manager. With regard to model portfolios containing mutual funds and exchange-traded funds available through the RJA Programs, the advisory fee paid to the manager of the model portfolios ("Model Managers") is typically 0.30% - 0.35%.

The negotiated management fee may differ between Money Managers, or the management fee paid by RJA Programs may be more or less than the Money Manager may receive for providing similar services pursuant to another sponsor's Money Manager or the RJA Programs. As with any negotiation, Money Managers may agree on a negotiated fee or decline to participate in any of the programs. A Money Manager's decision to participate in the RJA Programs is theirs alone to make and may be based on their own economic considerations.

The maximum Wrap Fee is 2.0% per annum based upon the market value of the securities and cash or cash equivalents in the client's account. The fee is calculated on a quarterly basis, based upon assets in the client account at the end of the preceding quarter and is paid quarterly, in advance. The IAR is paid from this Wrap Fee.

The RJA Wrap Fee does not include certain account and securities related costs, including the fees embedded in the mutual funds, ETFs or annuities in which wrap fee accounts invest. In addition, the fee does not include debit balances, related margin interest, IRA and retirement plan fees, transfer fees, 12b-1 fees, wire transfer fees, overnight check fees, account closing fees, paper statement delivery fees, non-standard asset fees, insufficient fund fees, returned check fees, expenses charged by the mutual funds, expenses charged by the variable annuities and exchange traded funds, or other fees or taxes that are required by law. These fees will increase the net cost to clients.

RJA Program fees may vary from fees that might otherwise be charged if a client was to select a separate brokerage service and negotiate commissions in the absence of the additional advisory service provided by RJA. The overall cost associated with a client's relationship with CSM (and the compensation we receive) varies depending on several factors, including: 1) a client's particular investment advice requirements and product preferences and 2) the value of a client's account or the client's household's relationship with the Firm.

Detailed information about the fees in these advisory programs are available in the RJA Wrap Fee Program brochure which can be found at [raymondjames.com/legal-disclosures](http://raymondjames.com/legal-disclosures).

CSM IARs may be incentivized to recommend a CSM Wrap Fee Program over an RJA Wrap Fee Program because the IAR retains a higher portion of the fee.

### **Termination of Agreement/Refund of Fees**

Your advisory agreement may be terminated by you or the Firm at any time upon the appropriate provision of notice to either party as described in your account agreement. While there is no penalty for terminating your advisory agreement with us, termination with respect to the advisory account established through the agreement effectively ends the investment advisory relationship between you and the Firm. Upon termination, your Raymond James custodied advisory account will be converted to a custodial brokerage account governed by your account opening documentation. The brokerage account will no longer be assessed the advisory fee and any transactions requested after the termination of advisory services will be assessed a customary brokerage commission based on our standard commission schedule, pursuant to your account opening documentation. A refund of the portion of the prepaid fee that has not yet been earned by us will be provided to you after termination, when applicable. You may provide instructions to liquidate the securities or other investments, move the assets to another financial institution, or hold these securities and other investments, as permitted, in a brokerage account.

### **General Information about Advisory Fees**

A client, in choosing an arrangement under the Program, should be aware that the Program might cost the client more or less than purchasing such services separately, depending on the type of arrangement selected. Please read carefully the full descriptions of each type of arrangement in the Wrap Fee Program Brochures. A client should be aware that mutual funds, annuities, non-traded real estate investment trusts, and syndicate offerings held in an advisory account may contain separate fees (including but not limited to 12b-1 fees) that the client will be charged that are not included in the advisory fee. These fees will increase the net cost to the client.

A client should also be aware that when a fee is charged instead of commissions for investment services, the fee might be more than the person recommending the program would receive if done on a commission basis. Therefore, the person may have a financial incentive to recommend a fee program over a commission program. This factor depends on the trading frequency of the IAR or Portfolio Manager selected who is making the investment decisions. CSM's fees and charges are negotiable.

Advisory fees do not cover all custodial service charges, and the client should be aware that additional fees from the custodian may apply.



A list of additional fees that the custodian may charge can be found on the Schedule of Fees document which is provided to the client when the account is opened, and is also posted on the firm's website. Additionally, all fees charged will be listed on the account statement provided to the client on a monthly or quarterly basis.

While we have designed reasonable controls to monitor the accuracy of advisory fees, it is your responsibility to verify the accuracy of your advisory fees, including the advisory fee rate applied to your account(s).

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

#### **Account Maintenance Fee**

A retirement account (such as a SEP IRA, Roth IRA, IRA) will incur an annual account maintenance fee. This fee is charged directly to your account by Raymond James. CSM receives a portion of this annual maintenance fee.

#### **Trading Away**

Portfolio Managers may elect to execute transactions away from CSM, as they deem appropriate, as part of their best execution responsibilities. Costs and transaction fees arising out of transactions effected by entities other than CSM, including transactions effected through our affiliates or attributable to dealer mark-ups, markdowns or "spreads" (in transactions where CSM or another entity acts as principal for its own account) will be separately borne by the client. A client should also be aware that annuities, non-traded real estate investment trusts, and syndicate offerings held in an advisory account may contain separate fees (including, but not be limited to, 12b-1 fees) that the client will be charged for and are not included in the advisory fee.

#### **Grandfathering of Minimum Account Requirements**

Pre-existing advisory clients are subject to CSM's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our Firm's minimum account requirements will differ among clients.

#### **ERISA Accounts**

CSM is deemed to be a fiduciary to advisory clients that are employee benefit plans pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our Firm is subject to specific duties and obligations under ERISA and the Code that include, among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, CSM may only charge fees for investment advice about products for which our Firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our Firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset CSM's advisory fees.

#### **IAR as Portfolio Manager**

When an IAR provides portfolio management services, then no other Money Manager will be involved in the management of the client's account. Typically, when the IAR provides portfolio management services in this capacity, the IAR will receive higher fees compared to arrangements where an outside Money Manager is responsible for the portfolio management of a client's account; therefore, an incentive exists for the IAR to recommend himself as portfolio manager compared to other sub-advisory arrangements.

#### **Order Flow**

Custodians of assets, including Raymond James, may also collect revenue from the sale of order flow to other parties. CSM does not participate in this revenue and cannot control what the custodian does with regard to order flow.

#### **Limited Prepayment of Fees**

Under no circumstances will CSM require or solicit payment of fees in excess of \$1200 six months or more in advance of services rendered.

#### **Additional Expenses Not Included in The Asset Based Advisory Fee**

All fees paid to CSM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee, or 12b-1 fees. If the fund also imposes sales charges, a client will pay either an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our Firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Clients should also understand that the shares of certain mutual funds offered in these programs may impose short-term trading charges for redemptions (typically 1%-2% of the amount redeemed) made within short periods of time. These short-term charges are imposed by the funds (and not CSM) to deter "market timers" who trade actively in fund shares. Clients should consider these short-term trading charges when selecting the program and/or mutual funds in which they invest. These charges, as well as operating expenses and management fees, will increase the overall annual cost to the client by 1%-2% (or more), and are available in each fund's prospectus.

Clients should be aware that ETFs incur a separate management fee, typically 0.20%-0.40% of the fund's assets annually (although individual ETFs may have higher or lower expense ratios), which is assessed by the fund directly and not by CSM. This management fee is in addition to the ongoing advisory fee assessed by CSM and will generally result in clients which utilize an SMA Manager or Investment Strategy that invests in ETFs paying more than clients utilizing one that invests in individual securities, without taking into effect negotiated asset-based fee discounts, if any. Certain ETFs may be classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting.

Certain no-load variable annuities and indexed annuities may be purchased in or transferred into accounts may be charged an asset-based advisory fee. The annual advisory fees charged for these no-load variable annuities are in addition to the annual management fees and operating expenses (which are typically higher than either mutual funds or ETFs) charged by the insurance companies offering these products.

You may also incur charges for other account services, which we can provide at your election that are not directly related to the advisory, execution, and clearing services provided by us as part of the wrap fee program. Our advisory fee does not cover the expenses, charges, and costs listed below (not an all-inclusive list).

- Certain dealer mark-ups and odd lot differentials.
- Mark-ups, mark-downs, spreads, underwriting fees, selling concessions, or other transaction charges associated with a principal transaction effected by us or our affiliate with respect to a transaction.
- Taxes (including unrelated business taxable income in retirement accounts and financial transaction taxes).
- IRA custodial fees.
- Safekeeping fees.
- Debit interest charges: If you incur a cash debit or deficit in your account, you will pay interest on the negative balance in your account, even if your account is not a margin account. The rate varies depending on the size of the average debit balance and you will be responsible for the debit interest accrued in the account. Please refer to your account opening documents for additional information.
- Charges/interest for maintenance of margin and/or short positions.
- Fees for legal or courtesy transfers of securities and other investments.
- Offering concessions, and any other fees and expenses for purchases of public offerings of securities and certificates of deposit, as more fully disclosed in the prospectus and offering documents.
- Trade away commissions: When a third-party Manager elects to trade away and there are brokerage commissions or other charges associated with the transaction, your overall program costs increase.
- Fund and annuity operating costs and expenses and Fund distribution fees.
- Transfer fees.
- Return deposit items (check/ACH).
- Wire fees (outgoing).
- Annual pledged account fees, for accounts where assets held in the account are pledged as collateral.
- Any other charges imposed by law or otherwise agreed to by you with regard to transactions in your account

#### **Surrender Charges or CDSC**

If client transfers a previously purchased investment into a CSM accounts, such as a mutual fund, annuity or alternative investment, or liquidates the previously purchased investment and transfers the proceeds into an account, client may be charged a fee (sometimes called a surrender charge or CDSC) upon the sale or redemption in accordance with the investment product's prospectus. In many cases, the CDSC is only charged if a client does not hold the security for the minimum period of time. In particular, if a client transfers a previously purchased mutual fund (such as a Class C share) into an account that is subject to a CDSC, then the client will pay that charge when the mutual fund is sold.

Clients participating in SMA programs may be charged various program fees in addition to the advisory fee charged by the Firm. Such fees may include the investment advisory fees of the Money Manager, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a fee for advisory, brokerage and custodial services. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by the Custodian and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which a Money Manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Advisory fees do not cover all custodial service charges and the client should be aware that additional fees from the Custodian may apply. A list of additional fees that the Custodian may charge can be found on the Schedule of Fees document which is provided to the client when the account is opened. Additionally, all fees charged will be listed on the account statement provided to the client on a monthly or quarterly basis. The Firm also includes on the statement a list of all possible fees that may be charged by the Custodian annually.

**Account Maintenance Fee:** A retirement account (such as a SEP IRA, Roth IRA, IRA) will incur an annual account maintenance fee. This fee is charged directly to your account by Raymond James. CSM receives a portion of this annual maintenance fee.

#### **12B-1 Fees Conversion of Mutual Fund Share Classes**

An investment company may authorize us to make available to clients participating in one of our advisory programs a class of shares of a fund with a lower fee structure that we believe is more beneficial to you than the class of shares previously made available in the advisory program. Where an exchange is available, under the authority provided to us under your advisory agreement(s) which may include the Master Advisory Agreement, CSM or Raymond James may effect an exchange to another class of shares of the same investment company fund with the lower fee structure, as promptly as practicable and taking into account the administrative and operational requirements necessary to implement the exchanges.

CSM or Raymond James periodically exchange existing advisory fee-eligible mutual fund positions in existing Ambassador Program accounts for a specific mutual fund share class ("Firm selected share class") in an effort to provide advisory clients with the lowest cost

share class available through us. This conversion does not apply to non-wrap eligible, non-billable positions such as C shares or other back-end load shares that may be held in your Ambassador account and which are not eligible for advisory fee billing. Ongoing monthly maintenance conversions are performed by Raymond James to ensure the Firm selected share class has been implemented in your account. CSM and your IAR will retain the 12b-1 fees received from non-wrap eligible, non-billable mutual funds that are not eligible for advisory fee billing. Fees associated with the Firm-selected share class, may be greater than or less than the fees of your existing advisory fee-eligible mutual fund position. You should take into consideration fee expenses when transferring mutual funds to us or maintaining mutual fund positions within your advisory account(s). There is an incentive for your IAR to recommend a certain share class based upon anticipated compensation to the IAR.

On a periodic basis, Raymond James may convert class C shares that have been held at least one year or are otherwise no longer subject to the fund company's CDSC, which is typically 1% of the amount invested, to the Firm-selected share class. The one year holding period is the required minimum holding period typically established by fund companies before the shares become eligible for conversion to another share class without being subject to the CDSC. However, certain funds may require that investors hold the Class C shares longer than or less than one year before these shares are CDSC-free. CDSC-free class C shares held in advisory program accounts automatically convert, on a tax-free basis, to the share class recommended by us on a quarterly basis. For example, a client that holds \$50,000 in class C shares purchased 6 months ago that subsequently transfers these shares to his or her Ambassador account is not assessed an advisory fee for 6 months. The shares are subsequently converted by Raymond to the Firm-selected share class the month after they are CDSC-free and once converted are subject to advisory fees. Also, upon conversion of the C share to the Firm-selected share class, the 12b-1 fees (if any) are credited to you on a bi-monthly basis.

Investments held in Ambassador accounts may be comprised of mutual fund shares only (both load-waived and no-load funds), individual equity and fixed income securities and other investments, or a combination of mutual fund shares and individual securities and other investments. With respect to load funds, only the Firm-selected share class of these funds, for which the mutual fund sales charge has been waived, may be purchased and charged an advisory fee in these Programs. Clients may hold fund shares in an Ambassador account that were originally purchased in a commission-based account and assessed a front-end load at our Firm. However, these shares will be designated as non-billable assets for two years from their original purchase date and generally do not charge an advisory fee on these assets during this period. Additionally, Raymond James credits 12b-1 fees received to your account on a bi-monthly basis. This two year exclusion period (or "Two Year Rule") has been implemented to avoid clients being assessed both a load or commission and an advisory fee on the same asset, but only applies to those above mentioned securities and other investments that were purchased through us. For questions about which assets are billable or non-billable, please consult with your IAR.

If you purchased a share class designated as non-billable (or "ineligible") that is subsequently exchanged into a share class that is otherwise eligible for advisory fees (for example, class C shares held for a year (from the trade date where commissions were incurred) and exchanged into a no-load or load-waived class A share as described above), the Two Year Rule will not apply, provided you held the ineligible share class at least one year before converting to an eligible share class and the original load was 1.05% or less or the commission did not exceed \$50. The Two Year Rule may create a financial incentive for your IAR to recommend you exchange to an advisory fee-eligible share class. However, per the above example of exchanging C shares to load-waived A shares, this incentive is mitigated by requiring that the C shares must be held for at least one year before they are allowed to be exchanged for A shares, where the back-end load associated with C shares is typically 1%. The Two Year Rule is expressly intended to avoid assessing advisory fees on share classes assessed a load in excess of 1%, where the maximum load is typically in excess of 4%.

#### **Cash Sweep Program (For accounts held at Raymond James)**

The cash sweep program is a service that allows clients to earn interest on cash awaiting investment ("Cash Sweep Program"). We offer a deposit sweep called the Raymond James Bank Deposit Program ("RJBDP"), which includes certain variations described in greater detail below. In addition, we offer a cash feature called the Client Interest Program ("CIP") in which eligible accounts earn interest on cash awaiting investment. We refer to both RJBDP (including the variations described below) and CIP as "sweep options" throughout this Brochure. The Cash Sweep Program is offered at no additional charge or cost to you. Please refer to the "Billing on Cash Balances Held in Ambassador Accounts" section described below for information on how fees are applied to cash balances held in certain wrap fee programs over extended periods of time. In addition, please refer to the "Compensation Associated with Our Cash Sweep Program" section for information about the compensation we or our affiliates receive and/or share with other parties.

Your IAR can provide you with additional information about Cash Sweep Program eligibility. Or you may refer to the cash sweep section of the "Important Client Information" Brochure, a current copy of which is available at <https://www.raymondjames.com/legal-disclosures> or from your IAR, or you may visit our public website for additional information: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps>.

Not all Cash Sweep Programs are available in all accounts, and some account types have only one sweep option available. Refer to the chart below for a description of the cash sweep options available by account type.

## Available Sweep Options by Account Type

Cash Sweep Option	Description	Non-retirement accounts (e.g. individual, joint, trust)	ERISA accounts/IRA advisory accounts	IRA, non-advisory accounts
<b>RJBDP</b>	Uninvested cash in your custodial account through RJA is automatically deposited, or “swept,” into interest-bearing deposit accounts at participating banks. Two affiliates, RJ Bank and TriState Capital Bank, are participating banks in RJBDP.	Yes	No	Yes
<b>RJBDP with RJ Bank Only</b>	Uninvested cash in your custodial account is swept into an interest-bearing deposit account with our affiliate, RJ Bank.	Yes	Yes	Yes
<b>CIP</b>	CIP is a short-term alternative for cash awaiting investment. Cash in CIP is solely our obligation, whereas the funds on deposit through RJBDP and RJBDP-RJ Bank Only are obligations solely of the participating banks.  A significant portion of CIP cash held for the exclusive benefit of clients is placed in overnight repurchase agreements that are fully collateralized by U.S. Treasury securities or deposited in qualifying trust or cash accounts with major U.S. banks. The remaining balance of CIP cash is used by us for our business operations, where permitted by law.	Yes	No	No

RJA may, if permissible by law and if in compliance with eligibility criteria for CIP as established by RJA, treat those unswept funds as part of CIP, subject to all terms and conditions applicable to CIP. For more information, please refer to the cash sweep section of the “Important Client Information” Brochure. A current copy is available at <https://www.raymondjames.com/legal-disclosures> or from your IAR, or you may visit our public website for additional information: <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps>.

### Current Interest Rates for CIP and RJBDP

Your interest rate is based on the total of the cash balance in RJBDP and CIP (collectively, “Relationship Cash Value”), as well as the Interest Rate Tier for which each of your accounts is eligible. Raymond James can also establish additional or different Interest Rate Tiers for particular types of accounts. For current Interest Rate Tiers for CIP and RJBDP, refer to <https://www.raymondjames.com/client-resources/market-numbers/deposit-rates>. For information on the rate being paid on your particular account(s), please contact your IAR or consult your periodic account statements. In addition, Raymond James, in its sole discretion, may from time to time make special Interest Tier Rate offers (“Special Sweep Offers”) with specific terms and conditions, including limited eligibility criteria that materially differ from Relationship Cash Value. Please refer to our website

The interest rate or yield on our Cash Sweep Program may be higher or lower than the yield or interest rate available in other sweep programs at other institutions. You should consider the impact of cash and cash equivalents on your overall portfolio and whether you could receive more favorable rates of return by investing in other asset classes, including alternatives to cash such as money market mutual funds and treasury bills. <https://www.raymondjames.com/wealth-management/advice-products-and-services/banking-and-lending-services/cash-management/cash-sweeps/raymond-james-bank-depositprogram> to view any current Special Sweep Offers or contact your IAR for additional information.

### Compensation and other benefits to Raymond James and its affiliates from client cash in the Cash Sweep Program.

Fees paid to RJA by the banks in RJBDP provide RJA a material source of revenue. This revenue is important to the ability of RJA to finance its business activities, and ultimately to the potential profitability of RJA. In addition to the fees received by RJA from the banks, cash balances provide a relatively low-cost source of funds to RJA through CIP and to RJ Bank through RJBDP, and help contribute to RJA's profitability. This revenue and other benefits to RJA and its affiliates increase when more client funds are held in the Cash Sweep Program.

### Compensation to CSM in the Cash Sweep Program.

You should expect that Raymond James will share a portion of the revenues it receives from one or more of the sweep options with CSM. The rate of any such revenue sharing may be increased depending upon the aggregate amount of client funds in the Cash Sweep Program by all clients of CSM. Further, you should expect that Raymond James will share with your independent firm a portion of the revenues it receives on one or more of the sweep options resulting from new or additional cash (or from all cash) that you choose to hold in that sweep option as a result of offers Raymond James may make to you, for example special rate offers or other kinds of exception offers. Even when Raymond James does not share a portion of the revenues it receives with CSM, the aggregate amount of cash in the Cash Sweep Program by all clients of CSM may be credited to CSM for purposes of determining the overall payout rate that CSM receives from Raymond James; thus, higher aggregate amounts of client funds in the Cash Sweep Program may cause CSM to receive higher

compensation on transactions and activities unrelated to the Cash Sweep Program, even when no Cash Sweep Program revenue is shared with CSM. The interest rate that you receive on your cash in the Cash Sweep Program is not impacted by any revenue shared with, or credit received by, CSM. Your financial professional does not receive any additional compensation from these programs.

The revenue sharing payments received by CSM are paid to us from the earnings on your uninvested cash or assets within the sweep vehicle. Revenue sharing of this nature is a CONFLICT OF INTEREST because we are incentivized to encourage you to select the money market funds we have recommended when alternatives are available for a lower cost.

### **Previously Paid Commissions**

Clients should be aware that securities transferred into an account may have been subject to a commission or sales load when the security was originally purchased. Client should understand that, after the transfer into an account, an advisory fee will be charged based on the total assets in the account, including the transferred security. Depending on the share class and fee structure of the previously purchased mutual fund, CSM can receive fees such as 12b-1 fees, recordkeeping fees and revenue sharing from the previously purchased mutual fund until the position is liquidated and subsequently invested. In other words, if you paid your IAR or another financial professional recently an upfront commission on the previously purchased security, you will be paying a new ongoing advisory fee going forward to your IAR for advice on that same security.

### **Loss of Benefits**

If the client will be funding the account with the proceeds of a sale or liquidation of a variable or fixed annuity, the client should understand that the client may be giving up guaranteed living or death benefits that were provided through the annuity that will not be provided through the CSM advisory account.

### **Retirement Accounts**

We may recommend that you move assets or “roll-over” from an employer-based retirement plan to a retirement account offered by our firm. Please be advised of your options, and what this means to you. If you leave your employer, you typically have four options (and may engage in a combination of these options):

- leave the money in the former employer's plan, if permitted;
- roll over the assets to your new employer's plan, if one is available and rollovers are permitted;
- roll over to an Individual Retirement Account; or
- cash out the account value.

Each choice offers advantages and disadvantages, depending on your desired investment options and services, fees and expenses, withdrawal options, required minimum distributions, tax treatment, and your unique financial needs and retirement plans. The complexity of these choices may lead you to seek assistance from one of our IARs. The options that we offer you will result in revenue to our IARs and our firm. Therefore, we have an incentive to recommend that you “roll-over” your employer plan to us. Please consider each of your options before making a decision.

### **Additional Bundled Service Cost Considerations**

Your total cost for each of the services provided through our advisory programs, if purchased separately, could be more or less than the costs of each respective program. In addition, you may be able to obtain similar services for a lesser fee from other IARs within our Firm. The fees charged vary among our advisory programs and our IARs. Cost factors may include your ability to:

- Obtain the services provided within the programs separately with respect to the selection of portfolio securities and other investments,
- Invest and rebalance the selected mutual funds without the payment of a commission or sales charge, and
- Obtain performance reporting comparable to that provided within each program.

Some clients favor an asset-based fee arrangement because the fee sets their brokerage cost at a predetermined level. Other clients may favor a commission arrangement because they anticipate their accounts will have little trading activity. If you plan to follow a buy and hold strategy for the account or do not wish to receive ongoing investment advice or management services, you should consider opening a brokerage account rather than an advisory account. In a brokerage account, you are charged a commission for each transaction, and your registered representative has no duty to monitor your account or provide ongoing investment advice concerning the account or your investments. When assessing a wrap fee program's cost, you should consider the amount of trading activity you anticipate, each of the wrap fee programs offered by us, and factors such as commission rates, your investment experience and knowledge, and your availability to monitor and rebalance investments. You should review and consider if you would pay more or less than when purchasing these services separately either through us or another service provider, depending on commission rates and portfolio trading activity. We make no guarantees that the aggregate cost of a particular program is lower than that which may be available elsewhere. You should explore this subject thoroughly with your IAR to determine whether an advisory (asset-based fee) or brokerage (transaction-based fee) arrangement is appropriate for your needs.

Both CSM and a client's IAR are compensated based on the amount of assets in your account, it creates an incentive for us to increase your assets or engage in transactions that results in higher total assets in your account.

In addition to compensation, CSM provides IARs with access to financial incentives for affiliating with our firm. These arrangements include, but are not limited to transition assistance, bonuses, deferred compensation arrangements, enhanced pay-outs, repayable business transition or working capital loans, forgivable loans, administrative fee reimbursements, marketing services and materials, and other valuable financial incentives. Based on these arrangements, your IAR is incentivized to recommend that clients open and maintain accounts for advisory and/or brokerage services. These incentives may influence your IAR's recommendation that you transition your account(s) to the firm. Clients should be aware that they do not have to use the services of CSM.

## Securities Based Lending (SBL)

Through our custodian, Raymond James and their affiliate, Raymond James Bank, offers a securities-based lending (“SBL”) service whereby securities may be used as collateral for a loan; however, pricing, features and characteristics differ from margin loans. Generally, SBL may let you borrow against a higher percentage of your assets than margin; however, SBL is not suitable for all clients, may involve a high degree of risk, and market conditions could magnify any potential for loss. The proceeds from an SBL loan cannot be (a) used to purchase or carry securities; b) deposited into a Raymond James investment or trust account; (c) used to purchase any product issued or brokered through one of our affiliates, including insurance products we offer; or (d) otherwise used for the benefit of, or transferred to, one of our affiliates.

If you were to enter a SBL with Raymond James Bank, then you would pledge securities in one or more of your accounts with us as collateral for the loan. Raymond James Bank, N.A. may on demand require you to repay part or all of any outstanding advance, post additional eligible collateral, and sell or force the sale of the pledged securities without notice. Any required liquidations could interrupt your investment strategies and could result in adverse tax consequences and adverse impacts on your long-term investment goals. Pledging the securities in one or more of your accounts with us would also limit your authority to give certain orders or instructions regarding those accounts or securities, such as an instruction to make free delivery to you or a third party of any of the pledged securities; and Raymond James Bank, N.A. would have authority to take exclusive control of those accounts and securities.

You should expect that Raymond James Bank, will compensate us, and we will compensate your IAR, in connection with the origination of a SBL loan based upon the amount of the loan or the outstanding balance at any time under the loan. The rate of compensation to your financial professional may differ from that of a margin loan. This compensation is a conflict of interest because CSM and your IAR have a financial incentive for you to select Raymond James Bank over other banks. Because SBL is offered and provided by Raymond James Bank, rather than us, it is important that you thoroughly review the disclosure documents that Raymond James Bank, can provide to you before evaluating whether SBL from Raymond James Bank, is right for you. Additional information regarding SBL is available at [raymondjamesbank.com/securities-based-lending](http://raymondjamesbank.com/securities-based-lending).

## Fully-Paid Securities Lending

With fully-paid securities lending, our custodian, Raymond James, borrows securities from you, which they may use for any purpose permitted under Regulation T, including to cover a short sale or fail-to-deliver, to satisfy client possession and control requirements, or to further lend your loaned securities to other broker-dealers. Raymond James will pay you a fee for the use of your shares based on the fee schedule contained in the Fully-Paid Lending Master Securities Agreement. In exchange for the loan of securities, RJ will provide you with either cash or non-cash collateral, as permissible under applicable regulations. Your account will still show that you own the security position that you have loaned to Raymond James. Loaned securities are not covered by Securities Investor Protection Corporation (“SIPC”) insurance. Fees generated by lending shares may not be sufficient to offset losses incurred because the position was not sold in accordance with your investment strategy. Securities lending takes place in an over-the-counter, negotiated rate market that generally lacks transparency with respect to transactions and prices. Given the nature of this market, we cannot guarantee that you will receive the most favorable rate for lending your loaned securities. Raymond James receives a portion of the total return generated on the transaction, as determined in a separate written agreement between you and Raymond James, and you should expect that Raymond James will share a portion of this compensation with CSM and your IAR. Raymond James will also receive compensation in connection with the use of your loaned securities, including lending your loaned securities to other parties for use with settling short sales, or for facilitating settlement of short sales by Raymond James, their affiliates, and their clients. Raymond James may have an opportunity to earn more compensation when the loaned securities are limited in supply relative to demand. The client does not share in the increased compensation in this scenario.

## Conflicts of Interest

CSM will make efforts to reduce potential conflicts of interest but is not responsible for any actions of the custodian(s) or clearing firm(s) with regard to potential conflict of interest issues such as money market funds, the selling of order flow, cash balances, money market funds or other activities that may result in revenue being paid to an outside party.

## Non-Cash Compensation

We receive various forms of non-cash compensation from product vendors who sell or issue mutual funds, annuities, insurance, unit investment trusts, and other securities. Among other things, we receive payment of expenses related to training and educational efforts directed towards IARs, including participation in conferences organized or sponsored by us to provide generalized information not specific to any product. And, third party product sponsors reimburse our IARs when they incur expenses related to seminars they host for you. You should be aware of these means of compensation before attending investment seminars. Your IAR may also receive meals and entertainment of reasonable and customary value, and gifts up to \$100 per issuer or vendor per year.

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

CSM will not charge performance-based fees where an IAR's fee would be based on a share of capital gains or capital appreciation of the client assets. As such, there are no conflicts of interest to disclose currently.

## Item 7 - Types of Clients

CSM may offer financial planning and investment advisory services for individuals, high net worth individuals, trusts, endowments, small businesses, and benefit plans. Our typical clients are those who are experienced and comfortable with saving and investing for their retirement and their family's future, board members and/or trustees acting on behalf of the trust or organization they represent, or business owners looking for an advisory group to assist them in making prudent investment decisions for their benefit plans. For more information about minimum account opening requirements, please refer to the Wrap Fee Program brochure of the Program Sponsor (CSM or RJA).

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

When delivering planning and/or investment consulting services to you, your financial advisor may use asset value, current and projected return, and other assumptions you provide, as well as historical return analysis prepared by our Firm or an affiliate. Your financial plan may be prepared using one or more computer software packages that take a needs-based approach to analyze your goals using one or more methods of analysis, including deterministic and probability modeling. We cannot guarantee future financial results or the achievement of your financial goals through implementation of your financial plan and/or any advice or recommendations provided to you. The analysis and projections generated by the tools or other analysis described in this section include information regarding the likelihood of various potential investment outcomes. They are hypothetical in nature, vary depending on which tool of analysis is used and with each use and over time, do not reflect actual investment results, and are not guarantees of future results. The likelihood of success varies based on differing assumptions, on different tools and from one review period to the next based on changing circumstances and market information. Results reflect one point in time only and are only one factor you should consider as you determine how to proceed, post-delivery of your financial plan or investment consulting analysis.

Your financial plan also may include an asset allocation analysis designed to assist you in positioning your investment assets. If your financial plan includes an analysis, the recommended portfolio allocation is determined based on a variety of factors, including your personal financial information and the historical and anticipated performance of different asset classes. The analysis is meant only to illustrate the relative experience among asset classes and portfolios. Any information presented in a financial plan regarding potential tax considerations is not intended as tax advice and should not be relied upon for the purpose of avoiding any tax penalties. Our planning and/or investment consulting services do not include day-to-day performance review of your specific investments, rebalancing your portfolio or reallocating your target asset allocations on a continuous basis.

### Investment Strategies & the Associated Risks

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases:** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when we believe the securities to be currently undervalued and/or we want exposure to a particular asset class over time, regardless of the current projection for this class. A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases:** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase. The risk with short-term investment vehicles is they may be subject to purchasing power risk — the risk that a client's investment's return will not keep up with inflation.

**Short sales:** We borrow shares of a stock for a client's portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit. The risk when short selling is that losses can be unlimited. A security is not limited on how high its price can go.

**Margin transactions:** We will purchase stocks for a client's portfolio with money borrowed from a client's account. This allows a client to purchase more stock than the client would be able to with the client's available cash and allows us to purchase stock without selling other holdings. A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in the client's account minus what the client owes the broker falls below a certain level, the broker will issue a "margin call" and the client will be required to sell the client's position in the security purchased on margin or add more cash to the account. In some circumstances, the client may lose more money than the client originally invested. Raymond James charges interest on margin balances and CSM receives a portion of this interest payment. Raymond James also receives compensation by lending securities at market rates. CSM receives a portion of this compensation, which creates a conflict of interest. Additionally, more sophisticated investment strategies such as short sales and margin may be offered in certain advisory account programs (i.e., the Ambassador program). Fees for advice and execution on these securities are based on the total asset value of the account. While a negative amount may show on your statement for the margined security as the result of a lower net market value, the amount of the fee is based on the absolute market value. This could create a conflict of interest where your financial professional benefits from the use of margin creating a higher absolute market value and therefore receiving a higher fee.

**Option writing:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative because it derives its value from an underlying asset. The two types of options are calls and puts. A "call" gives us the right to buy an asset at a certain price within a specific period. We will buy a call if we have determined that the stock will increase substantially before the option expires. A "put" gives us the holder the right to sell an asset at a certain price within a specific period. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for the client's portfolio. We use "covered calls", in which we sell an option on security the client owns. In this strategy, the client receives a fee for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price. The Firm uses a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts a client on both sides of the market,



but with the ability to vary price, time and other factors.

The risk associated with options occurs when purchasing securities; a client may pay for the securities in full or may borrow part of the purchase price. To borrow funds in connection with the account, the client will be required to open a margin account. The securities purchased in such an account are collateral for the funds loaned. If the value of securities in a margin account decline, the value of the collateral supporting the loan also declines, and, as a result, the lender may be required to take action by means such as issuing a margin call and/or selling securities or other assets in client accounts to maintain necessary level of equity in the account. Additional risks include, but are not necessarily limited to, i) the loss of more funds than were originally deposited into the margin account; ii) the forced sale of securities or other assets in the margin account; and iii) the sale of the client's securities or other assets without contacting the client.

### **Product Limitations**

We do not offer all the securities and services available across the broad markets due to structure, size, and liquidity of the security or similar characteristics of the security or underlying investments, and decisions made for product offerings by our internal investment team or our custodian, Raymond James. Other firms may offer products and services not available through CSM at lower costs. The scope of products and services offered by IARs may also be more limited than what is available through other IARs. An IAR's ability to offer individual products and services depends on his/her licensing and training. For example, an IAR may only be licensed to provide advisory services, and not brokerage services, or vice versa. You should ask your IAR about the securities or services your IAR is licensed or qualified to sell, and your IAR's ability to service investments that you transfer to CSM from another firm. You should also review the licenses held by your IAR by visiting the FINRA Broker Check system at <http://brokercheck.finra.org>.

All CSM advisory clients should understand that a recommendation of a particular Custodian by CSM constitutes a conflict of interest as CSM anticipates continual operational relationships and revenue streams with the Custodians that we recommend. CSM has performed limited due diligence reviews of these firms, all of which are well established, nationally recognized custodians. By directing brokerage CSM may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

CSM primarily recommends RJA as the Custodian. There is an additional conflict of interest in that CSM primarily uses only RJA as custodian due to the products, services, revenue-sharing arrangements, marketing and recruiting assistance, and technology programs that RJA provides CSM. Not all firms require clients to direct brokerage.

Mutual Funds available for purchase through CSM are generally limited to fund companies that have agreements in place with our custodian, Raymond James. Our custodian has an incentive to enter into agreements with mutual fund companies that offer the custodian various compensation. Thus, not all mutual funds available to the investing public will be available to you through CSM, including funds with lower fees and expenses. All share classes offered by a fund company are also not always available due to agreements in place with our custodian. This means that lower cost share classes might not be available to you through CSM, even though you might otherwise be eligible to purchase those lower share classes elsewhere.

Variable annuities available for purchase through CSM are limited to commission based variable annuities only. Fee-based annuities are available at most insurance companies and may cost less than commission-based annuities. Fee-based annuities not offered at CSM which presents a conflict of interest. You should be aware that you may be eligible to purchase fee-based annuities at a lower cost than commission-based annuities elsewhere.

### **Risk of Loss**

All investment strategies inherently expose our clients to various types and varying degrees of risk, including loss of principal. Below we discuss other risks associated with investing in securities.

#### **Understanding Investment Risks.**

Investing is a serious business, which, while offering potentially positive returns over the long run, merits your attention to the associated risks, to the decision-making process, and to changes in your financial needs that may necessitate alterations to your investment approach. You should remember that you bear the risk of loss when investing, and that usually the higher the potential reward, the greater the potential risk of an investment. While we will take reasonable care in developing and making recommendations to you, securities involve risk, and you may lose money. There is no guarantee that you will meet your investment goals, or that our recommended investment strategy will perform as anticipated. Please consult any available product offering documents for any security we recommend for a discussion of risks associated with the product. We can provide those documents to you, or help you find them. Securities investments, including mutual funds and even government bonds, are not insured by the federal government against market loss. All investments contain some measure of risk, from the high risks attendant to investing in small, unproven companies to the risks of price fluctuations based on interest rate changes in investments issued by the U.S. Treasury, if sold prior to maturity. Furthermore, reasonable investment objectives can be hindered by factors outside of anyone's control. Among others, you face the following investment risks:

**Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.

**General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.

**Currency Risk.** 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.

**Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

**Manager Risk.** The risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.



**Derivatives Risk.** Investments in futures and options are considered “derivative” investments. A small investment in derivatives could have a potentially large impact on performance. The use of derivatives involves risks different from or possibly greater than the risks associated with investing directly in the underlying assets. Derivatives can be highly volatile, illiquid and difficult to value. There is the risk that the hedging technique will fail if changes in the value of a derivative held do not correlate with the portfolio securities being hedged.

**Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws can impact the return on these investments.

**Concentration Risk.** This is the risk of amplified losses that could occur from having a large portion of holdings in a particular investment, asset class, or market segment relative to the investor’s overall portfolio.

**Risks Related to Investment Term.** If a client requires a liquidation of their portfolio during a period in which the price of the security is low, the client may not realize as much value as they might have, had the investment had the opportunity to regain its value, as investments frequently do, or had it been reinvested in another security.

**Purchasing Power Risk.** Purchasing power risk is the risk that an investment’s value will decline as the price of goods rises (inflation). The investment’s value itself does not decline, but its relative value does. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.

**Business Risk.** Many investments, including many Index Funds and Target-Date Funds, contain interests in operating businesses. Business risks are associated with a particular industry or company within an industry. For example, oil- drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

**Liquidity Risk.** Liquidity is the ability to readily convert an investment into cash. For example, Treasury Bills are highly liquid, while real estate properties are not. Some securities are highly liquid while others are highly illiquid. Illiquid investments carry more risk because it can be difficult to sell them.

**Financial Risk.** Many investments, including many Index Funds and Target-Date Funds, contain interests in operating businesses. Excessive borrowing to finance a business’ operations decreases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

**Default Risk.** This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk. While the principal and accumulated interest of the Prudential Guaranteed Income Fund, expected to be offered by the Plan, are guaranteed by the Prudential Retirement Insurance and Annuity Company, it is nevertheless subject to default risk.

**Call Risk:** The risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.

**Credit Risk.** Generally, bonds with a lower credit rating indicate a higher potential for financial risk and will generally command a higher offering yield. Conversely, bonds with a higher credit rating indicate less likelihood for financial difficulties and generally provide a lower yield to investors. The absence of a rating may indicate that the issuer has not requested a rating evaluation, insufficient data exists on the issuer to derive a rating, or that a rating request was denied. Non-rated securities tend to be more speculative in nature and are less liquid. Although rating agencies assist in evaluating the creditworthiness of an issuer, ratings are not recommendations to buy, sell, or hold a security, nor do ratings remove market risk. In addition, ratings are subject to review, revision, suspension, reduction, or withdrawal at any time, and any of these changes in ratings may affect the current market value of your investment. A rating agency may also place an issuer under review or credit watch, which may be another indicator of a future rating change. Your trade confirmations, online accounts, and monthly statements display only the ratings of those rating agencies to which we subscribe.

**Management Risk.** Investments may vary with the success and failure of investment strategies selected and implemented. If investment strategies do not produce the expected returns, the value of investments may decrease.

**Interest Rate Risk:** Generally, as interest rates rise, the price of a bond will fall, and conversely, as interest rates fall, the price of a bond will rise. The yield offered on bonds is based upon a collective associated-risk evaluation, coupled with a market-determined spread over a similarly traded riskless transaction (historically measured versus a similar maturity Treasury bond). As interest rates fluctuate, the yield on most bonds will be adjusted accordingly.

**Purchasing Power Risk:** The risk that, over time, inflation will lower the value of the returned principal. This means that an investor will be able to purchase fewer goods and services with the proceeds received at maturity.

**Correlation Risk:** The risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.

**Counterparty/Default Risk:** The risk that a party to a contract will not live up to (or default on) its contractual obligations to the other party to the contract.

**Valuation Risk:** The risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.

**Tax Risk:** The risk that tax laws may change and impact the underlying investment premise or profitability of an investment. The tax overlay services offered and “Direct Indexing” strategies in RJCS for example attempt to keep taxes low for investors but there is not guarantee because of market conditions at that time. Related, strategies involved with lowering taxes have investment risk because of the more custom nature and may not track the appropriate benchmark because of this strategy.

**Cybersecurity Risk:** CSM and its service providers use computer systems, networks, and devices to carry out routine business operations and employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections used, systems, networks, or devices potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which a client invests; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, and other financial institutions; and other parties.

**Technology Risk:** Managers or disciplines which invest a portion or all of a portfolio in the technology or biotechnology sectors may be more volatile than those investing in other sectors. The technology and biotechnology sectors have historically demonstrated higher volatility than many other sectors of the equity market. As a result, the securities and other investments selected within these portfolios are typically more speculative in nature and have a greater potential for the loss of capital.

We must rely in part on digital and network technologies to conduct our business and to maintain substantial computerized data relating to client account activities. These technologies include those owned or managed by us as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by us to provide services and maintain our business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond our or our service providers' control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties, or the inability to conduct business.

**Risks Associated with Alternative Investments.** Alternative investment products, including real estate investments, notes & debentures, hedge funds and private equity involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and, in many cases, the underlying investments are not transparent and are known only to the investment manager. Alternative investment performance can be volatile. An investor could lose all or a substantial amount of the investment. Often, alternative investment funds and account managers have total trading authority over their funds or accounts; the use of a single adviser applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is often no secondary market for an investor's interest in alternative investments, and none is expected to develop. There may be restrictions on transferring interests in any alternative investment. Alternative investment products often execute a substantial portion of their trades on non-U.S. exchanges. Investing in foreign markets may entail risks that differ from those associated with investments in U.S. markets. Additionally, alternative investments often entail commodity trading, which involves substantial risk of loss.

**Sector-specific investing.** Investors considering these programs should recognize that managers/disciplines which invest a portion or all of a client's assets with a sector emphasis may lead to increased volatility; therefore, a long-term investment horizon of five or more years is recommended. Investors should also be aware that concentrated accounts, also known as "non-diversified" or "focused" accounts, generally hold less than 15 stocks. Therefore, accounts may have over-weighted sector and issuer positions, which may result in greater volatility and risk.

**Small-Cap Investing.** If you are considering small-cap managers or disciplines in which a portion or all of a client's assets are invested in these disciplines, you should recognize that the issuers of small-cap securities may not have significant business experience or may have businesses that are still in the early stages of the business life cycle, may be less liquid, may have lower trading volume and greater spreads between the purchase and sale prices of their securities, and may experience greater volatility than securities with larger market capitalizations. The securities and other investments selected for these disciplines will typically be more speculative in nature and thus have greater potential for the loss of principal.

**International Investing.** If you are considering an international/global manager or discipline in which a portion or all of a client's assets are invested in international securities, you should recognize that investing in international securities markets involves additional risks not typically associated with domestic securities. Exchange rate fluctuations, currency controls, political and economic instability, and greater volatility are risks commonly associated with international investing. Exchange rate risk between the U.S. dollar and foreign currencies may cause the value of investments to decline. Investing in emerging markets can be riskier than investing in well-established foreign markets. Investments in international disciplines may be subject to foreign financial taxes. Certain strategies gain international investment exposure by investing in ADRs and similar depository receipts. ADRs are the receipts for the shares of a non-U.S.-based company traded on U.S. exchanges. You should carefully review your asset allocation objectives and risk tolerance before selecting a manager or discipline that invests internationally.

**Equity Risk.** Strategies that invest in equity securities are subject to the risk that stock prices may fall over short or extended periods of time. Equity markets tend to move in cycles, and the value of each strategy's equity securities may fluctuate drastically from day-to-day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in the strategies we offer.

**Fixed Income Risk.** Investors considering a fixed income manager or discipline generally seek consistent returns with lower risk, and their tolerance for risk/volatility will accept only infrequent, minimal losses. Because of the less volatile nature of the disciplines, a fixed income investor may have a shorter investment horizon than equity and balanced investors, although the objective can accommodate investors with longer term investment horizons as well. Fixed income and bond fund investors should carefully consider risks such as interest rate risk, credit risk, liquidity risk and inflation risk.

**Municipal securities.** Municipal securities typically provide a lower yield than comparably rated taxable investments in consideration of their tax-advantaged status. Investments in municipal securities may not be appropriate for all investors, particularly those who do not stand to benefit from the tax status of the investment. Please consult a tax professional to assess the impact of holding such securities on your tax liability.

**Mutual funds, ETFs, and other pooled investments.** Unlike shares of mutual funds, but similar to other securities and fixed income products, shares of ETFs are bought and sold based on market values throughout each trading day, and do not necessarily trade at NAV. For this reason, ETF shares could trade at either a premium or discount to NAV. ETF shares also may trade at a bid and ask spread, which tends to be wider for ETFs which hold less liquid securities, such as international or high yield bonds or emerging market stocks. Both the premium and discount and bid-ask spreads add to the costs of buying and selling ETFs and may reduce returns associated with those investments.

Accounts may invest in ETFs classified as partnerships for U.S. federal income tax purposes, which may result in unique tax treatment, including Schedule K-1 reporting. Prospective or existing clients should consult their tax advisor for additional information regarding the tax consequences associated with the purchase, ownership, and disposition of such investments. Additional information is also available in each ETF's prospectus, which is available upon request.

**Speculative securities and other investments.** Investing in speculative securities, such as low-priced stocks and newly issued equity securities, as well as securities of historically unprofitable companies, involves more than average risk and such securities can experience volatile price behavior. For example, with respect to new industries, stocks issued by relatively unproven companies typically have valuations that materially exceed valuations based on traditional business methods. Although prospective investment returns may be higher than normal, only investors capable of sustaining the complete loss of their investments should purchase speculative securities.

All investment programs carry the risk of loss of principal and there is no guarantee that any recommended investment strategy will meet a client's objective or the anticipated result of the strategy.

## Item 9 - Disciplinary Information

CSM is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. The following are disciplinary events relating to our firm and/or our management personnel:

1. Without admitting or denying the findings and solely for the purposes of settling alleged rule violations, CSM agreed to enter into a FINRA Letter of Acceptance, Waiver and Consent on October 20, 2015 related to findings from routine annual FINRA examinations for a period from 2008 to 2014. The findings were related to the suitability of reverse convertible notes and applicable supervisory procedures; implementation of AML procedures related to the deposit and sale of low priced securities; CIP procedures related to institutional accounts; application of sales charge discounts for certain UIT and mutual fund purchases and applicable supervisory procedures; commission charges on certain equity trades and supervisory procedures related to monitoring these charges; supervisory procedures applicable to private securities transactions; and failure to file an appropriate application for a new business activity. The firm was fined \$470,000 and ordered to pay restitution to clients of approximately \$226,000.

2. Without admitting or denying the findings and solely for the purposes of settling alleged rule violations, CSM agreed to enter into a FINRA Letter of Acceptance, Waiver and Consent on May 25, 2018 related to findings from a routine annual FINRA examination. The findings were related to the failure on the part of CSM to establish, maintain and enforce a supervisory system and written supervisory procedures reasonably designed to detect and prevent unsuitable short-term trading in Unit Investment Trusts ("UITs") as well as a failure to retain the instant messages for forty-one employees. The firm has been censured, fined \$100,000 and ordered to pay restitution to clients of approximately \$44,740.

3. On February 14, 2020, Virginia's State Corporation Commission ("Commission") entered a Settlement Order against CSM, in its separate capacity as a broker-dealer, relating to the securities activities of two former registered representatives who engaged in fraudulent activities with clients. The Commission alleged that the fraudulent actions went undetected due in part to supervision failures by CSM. The Commission further alleged that CSM failed to properly establish, maintain, and enforce written procedures and failed to frequently examine all customer accounts to detect and prevent irregularities or abuses. CSM consented, without admitting or denying any findings, to retain a third-party consultant to conduct a compliance review, to pay a penalty of \$75,000 to the State of Virginia and to pay \$25,000 to defray the costs of the investigation.

4. On November 5, 2020, without admitting or denying any findings, CSM consented to an order ("the Order") entered by the Securities and Exchange Commission relating to the SEC's share class disclosure initiative. The firm was found to have violated Sections 206(2) and 206(4) of the Investment Advisers Act of 1940 ("Advisers Act") and Rule 206(4)-7. CSM was ordered to cease and desist from violating Sections 206(2) and 206(4) of the Advisers Act and Rule 206(4)-7 thereunder, censured, required to pay a civil monetary penalty in the amount of \$55,000 and pay disgorgement and prejudgment interest totaling \$203,414. The Order also required CSM to agree to certain undertakings relating to mutual fund share class selection and 12b-1 fees, including reviewing, and correcting relevant disclosure documents and evaluating and updating the firms' policies and procedures to prevent violations of the Advisers Act.

## Item 10 - Other Financial Industry Activities and Affiliations

As noted in in Item 4, titled "Company History & Principals," CSM is a Registered Investment Adviser with the SEC and various state regulatory agencies. It also is registered as a FINRA member broker-dealer. Its principal business is that of a registered securities broker-dealer. The Firm offers other products and services, as well as investment advice.

CSM's principal officers spend the majority of their time performing management activities in connection with the Firm's broker-dealer operations. CSM's principals hold management positions in CSFG Insurance Agency, Inc., an insurance agency. CSFG Insurance Agency (CSFG) is a general insurance agency, which is licensed to sell certain insurance and annuity products. Through the financial professionals of its broker-dealer affiliates, CSFG provides product and marketing support for a broad range of insurance products, principally fixed and variable annuities, life insurance, disability insurance and long-term care coverage. Your IAR has a financial incentive to recommend brokerage and insurance services to you through these affiliated entities.

The members of CSM's management team are registered, as follows:

- Joseph A. Jianos – Chief Executive Officer - Series 7, 24, 27, 54, 63, 65, and SIE.
- Katherine Rose Hallberg – Chief Compliance Officer – Series 4, 7, 24, 53, 66, 87 and SIE.
- Irina Zubov –Director of Finance – Series 7, 24, 27, 63, 65, and SIE
- Edward Wetherell- Chief Strategy Officer-Series 6, 7, 24, 63, 65, and SIE.
- James Wallace- Chief Operating Officer- Series 4, 6, 7, 8, 24, 27, 53, 55, 63, 65, 66, and SIE

CSM, in its capacity as a registered broker-dealer, receives selling commissions for effecting agency and "riskless" principal transactions with people who may be advisory clients. CSM's officers, directors, stockholders, employees, and members of their families may at times have a position in securities recommended. CSM and its IARs may share in 12b-1 fees associated with the purchase of mutual funds as well as other revenue sharing arrangements. Please also refer to Item 5, Fees and Compensation; Item 11, Code of Ethics; and Item 12, Brokerage Practice for a further discussion relating to various relationships and conflicts of interest.

We permit our IARs to engage in outside business activities, upon firm approval, where outside compensation may be received. Some IARs are accountants, real estate agents, insurance agents, tax preparers, or lawyers and some IARs refer customers to other service providers and receive referral fees. As an example, an IAR could sell insurance through a separate business. An IAR may earn compensation, benefits, and non-cash compensation through a third-party insurance agency and may have an incentive to recommend you purchase insurance products away from CSM. If you engage with an IAR for services separate from CSM, you should discuss with your IAR any questions that you have about the separate and/or additional compensation they receive from the outside services. You are under no obligation to do business through an IAR's outside business.

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

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, CSM has adopted a Code of Ethics (the "Code") setting forth the high ethical standards to which the Firm requires all registered persons affiliated with the Firm, including employees and independent contractors ("Registered Persons") to comply. This includes compliance with applicable federal securities laws as well as CSM's internal policies and procedures. The Firm and the Registered Persons owe a duty of loyalty, fairness, and good faith towards CSM's clients and have an obligation to adhere not only to the specific provisions of the Code, but also to the general principles that animate the Code. Note that each Registered Person, when initially hired and on an annual basis, thereafter, must affirm that he or she has reviewed and complied with the Code. A copy of the Code is available to CSM advisory clients and prospective clients upon request. A copy may be requested via email sent to [khallberg@capitolsecurities.com](mailto:khallberg@capitolsecurities.com), or by calling CSM at 804.612.9700. Illustrative Code provisions are as follows:

- The Code requires pre –approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.
- The Code prohibits the use of material non-public information.
- The Code prohibits CSM and Registered Persons from engaging in principal transactions.
- The Code precludes agency cross transactions, where CSM would act as an investment adviser and broker-dealer for an advisory client and another person on the other side of the transaction.
- The Code precludes Registered Persons from engaging in personal securities transactions and activities which could interfere with the best interest of advisory clients.
- The Code precludes Registered Persons from purchasing or selling any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such Registered Persons from benefiting from transactions placed on behalf of advisory accounts.

CSM's Code of Ethics, in conjunction with its policies and procedures further provide:

- Registered Persons may not put his or her own interest above the interest of an advisory client.
- Registered Persons may not buy or sell securities for his or her personal portfolio(s) where the decision of his or her affiliation with the Firm unless the information is also available to the investing public.
- Registered Persons may not purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thus preventing such Registered Persons from benefiting from transactions placed on behalf of advisory accounts.
- Registered Persons must obtain pre-approval for any IPO or private placement investments by related persons of the Firm.

CSM and the Firm's personnel endeavor at all times to put the interest of the Firm's clients first as part of their fiduciary duty as an investment adviser. Thus CSM takes multiple steps to ensure full disclosure of any conflicts, including, by way of example, the potential to earn compensation from advisory clients in addition to our Firm's advisory fees. The Firm also informs clients that they are not obligated to purchase recommended investment products from our Registered Persons or affiliated companies. The Firm requires its Registered Persons to obtain prior approval of and thereafter monitor approved outside employment activity to avoid any conflicts of interests in such activities are properly addressed. CSM educates its employees regarding the responsibilities of a fiduciary, including the need to have a reasonable and independent basis for the investment advice provided to clients. CSM permits IARs to invest for their own personal accounts in the same securities purchased for clients. This presents a conflict of interest because trading by an IAR in a personal account in the same securities on or about the same time as trading by a client can disadvantage the client. CSM addresses this conflict through the use of surveillance alerts.

IAR Certifications and Professional Designations. The ability to provide financial advice and conduct sales activities in the securities and

insurance industries requires registration with a regulatory body. Conversely, professional designations are generally administered by an issuing organization (independent from us) that determines the criteria needed to earn the designation. Some designations involve fairly rigorous standards to earn and maintain the designation, allow investors to verify the status of individuals claiming to hold that designation, and a few even have a formal disciplinary process. Other designations may have less rigorous requirements. If your IAR holds out a designation, you should discuss with your IAR the meaning of such designation.

When an IAR joins us, they may also receive compensation in connection with joining our firm. This may include an upfront payment and additional compensation based on the growth in total assets they manage. This creates incentives for IARs to encourage you to move your assets to CSM.

As disclosed in the preceding section of this Brochure, Item 10, certain related persons of our Firm are separately registered as securities representatives of a broker-dealer or licensed as an insurance agent/broker of various insurance companies. Please also refer to Items 10 and 12 for a detailed explanation of these relationships and important conflict of interest disclosures.

## Item 12 - Brokerage Practices

All CSM advisory clients should understand that a recommendation of a particular Custodian by CSM constitutes a conflict of interest as CSM anticipates continual operational relationships and revenue streams with the Custodians that we recommend. CSM has performed limited due diligence reviews of these firms, all of which are well established, nationally recognized custodians. By directing brokerage CSM may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money. CSM primarily recommends RJA as the Custodian. There is an additional conflict of interest in that CSM primarily uses only RJA as custodian due to the products, services, revenue-sharing arrangements, marketing and recruiting assistance, and technology programs that RJA provides CSM. Not all firms require clients to direct brokerage.

### Selecting Brokerage Firms

Your IAR, in his/her capacity as a registered representative through CSM, the broker-dealer, is subject to Financial Industry Regulatory Authority ("FINRA") Conduct Rule 3040 and FINRA Rule 3280, which restrict IARs and other associated persons from conducting securities transactions away from our Firm or an affiliated firm. As a result, our IARs are limited to conducting securities transactions through us. We may charge a higher fee than another broker for a particular type of service, such as transaction fees. You may use the broker-dealer of your choice and have no obligation to effect transactions only through us. However, if you do not use us as your broker-dealer, your IAR will generally not be able to accept your account(s).

Because our services do not include the selection of brokerage firms, you do not necessarily obtain execution of transactions or brokerage rates as favorable as those which might be obtained through a third-party manager that does undertake to select brokerage firms or to negotiate rates with those selected firms. Better executions may be available through another broker-dealer based on a number of factors including volume, order flow, and market making activity.

### Trade Aggregation

CSM will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a prorated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price.

CSM may aggregate employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

### Order Routing/Best Execution

We do not permit our customers to direct orders to a specific trading venue. Instead, we rely on Raymond James to route orders to a favorable market center or designated broker-dealer intermediary where they believe that you will receive the best execution, based on a number of factors. Eligible order (i.e. orders from non-managed and non-discretionary accounts) will initially be directed to another broker-dealer to access a third-party Alternative Trading System ("ATS") where such orders will have an opportunity to trade with RJA's institutional or third-party institutional liquidity provider ("TPILP") order flow, if it exists, using strategies targeting at or better than the national best bid offer (often referred to as the NBBO) pricing. If no match occurs within that ATS between eligible order and the institutional client or TPILP order flow, the eligible order will then be routed to other market centers for execution. Because we rely on Raymond James for this service, you may not always get the best price available on a specific transaction. Our clearing firm Raymond James receives indirect compensation related to its order flow practices. Additional information about Raymond James' routing practices including indirect compensation Raymond James receives can be found at [www.raymondjames.com/orderrouting](http://www.raymondjames.com/orderrouting).

### Online Trading

Your IAR can offer you the opportunity to engage in certain trading activities online through Raymond James Client Access. Before trading online, however, it is important to understand how securities transactions are executed, particularly during times of volatile prices and high volume, when there may be delays.

### Client Directed Brokerage

If a client directs CSM to execute the account's transactions at a particular custodian with whom CSM does not have a business relationship, this may result in greater transaction expenses for the account than for other accounts CSM manages. The directed accounts may charge higher commissions and/or receive less favorable trade execution than the non-directed accounts. The non-directed accounts may benefit from negotiated commissions and some operational client account support services CSM has arranged for its clients through its preferred custodial relationships. Preferred Custodians may discount or waive fees for clients of CSM that they might otherwise charge.



to retail clients for the same services. In addition, under these circumstances, a disparity may exist between commissions charged by preferred Custodians to clients who do not direct CSM to use a custodian other than the preferred Custodians and commissions charged to clients who direct the Advisor to use a custodian with which CSM does not have a business relationship. CSM will assume no responsibility for obtaining "best execution" for trades directed by a client via a custodian with which CSM does not have a business relationship.

## **Item 13 - Review of Accounts**

### **Advisory Services**

While the underlying securities within the Advisory Services accounts are routinely monitored, advisory accounts are reviewed periodically. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. These accounts may be reviewed by compliance personnel, designated supervisors, or the IARs.

In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, CSM may provide quarterly reports summarizing account performance, balances and holdings if requested by the client.

Since investment goals and financial circumstances change over time, clients should review their investments at least annually with their IAR. Clients are under no obligation to employ a particular product, advisory service or investment strategy.

### **Financial Planning and Consulting Services**

While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no ongoing reviews will be conducted for Financial Planning clients, unless otherwise agreed to.

Financial Planning clients who have requested a full financial plan will receive a copy of the completed financial plan. Clients receiving consulting services will not typically be provided with written reports unless otherwise contracted for.

## **Item 14 - Client Referrals and Other Compensation**

From time to time, our Firm and our financial advisors receive from unaffiliated third parties client referrals in exchange for compensation to that third-party (each a "referral arrangement"). Any referral arrangement entered into by our Firm for the solicitation of advisory clients by a third-party that constitutes a "testimonial" or "endorsement" are in accordance with Rule 206(4)-3 1 under the Advisers Act (the SEC's new "Marketing Rule"). Under a referral agreement, a solicitor or "promoter" will receive compensation in the form of a flat fee or as a percentage of advisory fees received by the Firm from the referred client. The details of the particular referral arrangement and a description of the compensation paid to the solicitor will be disclosed to each referred client through a separate written disclosure.

## **Item 15 - Custody**

CSM previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that the Firm directly debits advisory fees from client accounts. CSM will use the execution and custody services of Raymond James and its affiliates. On at least a quarterly basis, the custodian, Raymond James, is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement. CSM does not have actual custody of client accounts.

## **Item 16 - Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. Our discretionary authority includes the ability to determine the type and amount of securities to buy and sell in the client's account. Clients give the Firm discretionary authority when they sign a discretionary agreement with our Firm as well as a limited power of attorney authorization form with the custodian. A client may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 - Voting Client Securities**

Neither CSM nor its IARs are obligated to take any action with respect to the voting of proxies, except as regards ERISA accounts as noted below. A client may delegate the voting of proxies to the hired sub-advisors in accordance with applicable regulations at the time. With respect to ERISA accounts, CSM will NOT vote proxies unless the plan documents specifically designated the advisor as having responsibility to vote proxies. Clients will receive their proxies or other solicitations directly from their custodian, issuer or a transfer agent. To direct us to vote a proxy in a particular manner, or to inquire about a proxy notice you have received, clients should contact Katherine Hallberg by telephone at 804.612.9700.

## **Item 18 - Financial Information**

CSM has no additional financial circumstances to report. Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement. CSM has not been the subject of a bankruptcy petition during the past ten years

## Important Disclosure Notices

### **Schedule of Fees**

To view a listing of our fees associated with administrative account costs, visit: [capitolsecurities.com/client-account-fees-and-charges](https://www.capitolsecurities.com/client-account-fees-and-charges)

### **Business Continuity Disclosure**

Capitol Securities Management, Inc., has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

**Contacting Us-** If, after a significant business disruption, you cannot contact us as you usually do at 703.821.2010, you should call our alternative number 804.612.9700, or go to our website at [capitolsecurities.com](https://www.capitolsecurities.com). If you cannot access us through either of those means, you should contact our clearing firm, Raymond James & Associates, Inc., at 800.647.7378, or go to their website [raymondjames.com](https://www.raymondjames.com). Raymond James will provide you with instructions on how they may assist you with the following: Account balances; Order entry (liquidations only); Fund transfers; Account transfers; Account activity; Tax information and documents; statements and checking requests. You can contact our clearing firm, Interactive Brokers, at 1.877.442.2757, or go to their website at [interactivebrokers.com](https://www.interactivebrokers.com).

**Our Business Continuity Plan-** We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our business continuity plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with customers, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank, and counter-party impact; regulatory reporting; and assuring our customers prompt access to their funds and securities if we are unable to continue our business. Our clearing firms, Raymond James and Interactive Brokers, back up our important records in geographically separate areas. While every emergency poses unique problems based on external factors, such as time of day and the severity of the disruption, our clearing firms have advised us that its objective is to restore their own operations and be able to complete existing transactions and accept new transactions and payments as soon as practically possible. Your orders and requests for funds and securities could be delayed during this period.

**Varying Disruptions-** Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within one (1) hour. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area and recover and resume business within two (2) hours. In either situation, we plan to continue in business and notify you through our website [www.capitolsecurities.com](https://www.capitolsecurities.com) or our customer emergency number, 617-897-8500 how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will ensure our customer's prompt access to their funds and securities.

**For more information-** If you have questions about our business continuity planning, you can contact us at 703.821.2010.

### **FORM CRS (Client Relationship Summary)**

For additional information about our brokerage and advisory services (including what services are available through Capitol Securities Management, fees, charges, and potential conflicts of interest associated with certain types of accounts), please review Form CRS at [capitolsecurities.com/regulatory-disclosures](https://www.capitolsecurities.com/regulatory-disclosures) ask your IAR, or call us at 804-612-9700.

## Privacy Notice

FACTS	WHAT DOES CAPITOL SECURITIES DO WITH YOUR PERSONAL INFORMATION?
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<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>• Information needed to open an account including social security numbers, investment experience, assets, income, account balances.</li> <li>• Information developed as part of financial plans, analyses or investment advisory services.</li> <li>• Information concerning investment advisory account transactions, such as wrap account transactions.</li> <li>• When you are no longer our customer, we continue to share your information as described in this notice</li> </ul>
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons CSM chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does CSM share information?	Can you limit sharing?
<b>For our everyday business purposes</b> - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our compliance with rules and regulations</b> - information about your transactions and communications provided to non-affiliated brokerage or investment advisory firms when required to comply with supervisory rules and regulations.	Yes	No
<b>For our marketing purposes</b> -to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> - information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> - information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share

Who we are	
Who is providing this notice?	Capitol Securities Management, Inc.



What we do	
How does CSM protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings..
How does CSM collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>• open an account or perform transactions</li> <li>• apply for a loan</li> <li>• make a wire transfer or tell us where to send money</li> <li>• tell us about your investment or retirement portfolio</li> <li>• become a beneficiary of a trust or an estate</li> </ul> <p>We also collect your personal information from others such as credit bureaus, affiliates, or other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes - information about your creditworthiness</li> <li>• affiliates from using your information to market to you</li> <li>• sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>
What happens when I limit sharing for an account I hold jointly with someone else?	Your choices will apply individually unless you tell us otherwise. Any account holder may express a privacy preference on behalf of the other joint account holders.
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies.
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>• Our clearing firm, <b>Raymond James &amp; Associates</b>, is directly involved in the execution and settlement of client transactions. For further details on Raymond James' Privacy Policy, please visit the following link: <a href="https://www.raymondjames.com/privacy-security-and-account-protection">https://www.raymondjames.com/privacy-security-and-account-protection</a></li> <li>• Our clearing firm, <b>Interactive Brokers</b>, is directly involved in the execution and settlement of client transactions. For additional information on Interactive Brokers' Privacy Policy, please see the following: <a href="https://www.interactivebrokers.com/en/accounts/legalDocuments/privacy.php">https://www.interactivebrokers.com/en/accounts/legalDocuments/privacy.php</a></li> </ul>
Joint marketing	<p>A formal agreement between nonaffiliated financial companies to provide or market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• Our joint marketing partners may include banks and credit unions.</li> </ul>
Other important information	
<p>CSM understands that the relationship clients have with their Advisory Representative and/or Registered Representatives ("Representative") is important. If a client's Representative ends his or her affiliation with CSM and he or she chooses to move to a different Firm, or if an Representative's relationship with CSM is terminated, the Representative may be allowed to take with him or her copies of all client and account documentation (including but not limited to: account applications; customer statements; and other pertinent forms related to the advisory services provided to the client by CSM), so the Representative is able to continue the relationship with his or her client and continue providing services through his or her new firm. CSM will also retain copies of its client and account documentation.</p>	
Questions	
<p>If you have any questions about our privacy practices or would like a copy of our full privacy policy, please contact our Compliance Department at 804-612-9700..</p>	