



Capital Analysts, LLC
Investment Advisory Disclosure Brochure

As of March 31, 2017

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You may also visit us on the web at www.capitalanalysts.com.

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

Additional information about Capital Analysts, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This section provides us the opportunity to highlight for you the material changes in our investment advisory services and operations since our last Form ADV 2A annual amendment in March 2016.

A potential material conflict of interest has been identified related to mutual fund assets that pay a 12b-1 fee in your advisory account(s) and the sharing of 12b-1 fees with advisors and Capital Analysts' broker-dealer affiliate, Lincoln Investment. These 12b-1 fees add to the total internal expense of the fund and may not have resulted in the recommendation or purchase of the lowest expense share class available. Therefore effective February 1, 2017, we began refunding 12b-1 fees back to your advisory account(s). The refunded amounts are identified on your Pershing statement as a line item transaction labeled "12b-1 Fee Credit".

If we find the refunding of 12b-1 fees in your advisory account does not equate in cost to the lowest expense share class available for that same fund, or a reasonable differential from the lowest expense share class, Capital Analysts will, as permitted by the fund company, convert your existing mutual fund share class to the lowest eligible mutual fund share class for that fund. Share class conversions will occur as deemed necessary by Capital Analysts and will be reflected on your account statements. Despite our efforts to obtain the lowest share class for you, fund expenses can change over time; therefore, we cannot assure you that you will always be in the lowest expense share class. Capital Analysts will periodically compare the expense ratio of your fund with the expense ratio of the other share classes offered by the fund, and make a decision on whether to convert to the lower share class. Capital Analysts will only convert those funds that fall outside of a reasonable expense differential in mutual fund expense ratios. There will be no cost or tax consequences to you if Capital Analysts initiates a share class conversion; however, there could be future transaction costs associated with purchasing or selling the lowest share class.

Transaction Fee and No Transaction Fee (NTF) mutual funds are available in our advisory programs. In Wrap Fee Programs, the transaction costs are borne by Capital Analysts, not the client. A potential conflict of interest exists for Capital Analysts in Wrap Fee Programs to select a NTF mutual fund since Capital Analysts would incur less expense and generate more revenue than if Capital Analysts selected a Transaction Fee fund. Going forward, it is Capital Analysts' policy to select the lowest net expense share class available for that same fund, or reasonable differential from the lowest expense share class, (netting the refunded 12b-1 fee out of the expense ratio of any share class that offers a 12b-1 fee), regardless of whether it is on the Transaction Fee or NTF list. In Non-Wrap programs, you may be assessed a ticket charge to acquire or sell the lowest share class offering in the future. This ticket charge is shared with Lincoln Investment and is a source of revenue to Lincoln Investment. This additional revenue to its affiliate can create a potential conflict of interest for Capital Analysts.

Lincoln Investment, Capital Analysts' affiliated broker-dealer, introduces accounts to Pershing LLC and shares in Shareholder Service fees collected by Pershing from the fund companies, pursuant to a written agreement with Pershing LLC. Lincoln Investment does not share these fees with your advisor. In Capital Analysts' advisory accounts, these fees are derived from Pershing's FundVest FOCUS list of funds that do not pay 12b-1 fees. In 2016, this revenue amounted to approximately \$300,000. The receipt of Shareholder Services fees by Lincoln Investment creates a potential conflict of interest for Capital Analysts as they generate revenue to its affiliate, Lincoln Investment. The receipt of this revenue also creates a potential conflict of interest to Capital Analysts to use Pershing as a custodian over other custodians that do not share the Shareholder Service fees paid by mutual funds and to recommend and purchase funds on the FundVest FOCUS list over other funds and platforms that do not pay and share in

Shareholder Service fees. We do not believe these potential conflicts are material to Capital Analysts or its affiliate.

In 2016, Lincoln Investment received other revenue that could be deemed associated with Capital Analysts assets or advisors, of approximately \$400,000. These revenues are derived from event sponsorship, revenues from assets in money market or bank deposit investments, and reimbursements of due diligence meeting expenses attended by Capital Analysts' financial advisors. Some of this revenue may be used to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support.

Capital Analysts' minimum annual administrative fee assessed on advisor managed (CAAMS/CAAMS Plus) is 0.06% of assets or \$100, whichever is greater. The fee minimum of 0.06% will only be applicable if an account value is equal to or greater than \$166,666. For accounts sizes less than \$166,666, the client is paying an administrative fee in excess of the stated 0.06%, which could make the total annual fee paid by clients exceed 1.55%. This minimum annual fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

Capital Analysts' Management fee assessed on discretionary managed Wrap fee accounts varies based on the managed portfolio selected; but, all have a minimum annual management fee. For example, in the Asset Builder Managed portfolio, the maximum fee is 0.25% of assets or a minimum of \$150, whichever is greater. The fee minimum of 0.25% will only be applicable if an account value is equal to or greater than \$60,000. For account sizes less than \$60,000, the client is paying a management fee in excess of the stated management fee as quoted in percentages. This minimum management fee would have a greater relative impact on the total fee paid by smaller accounts; fees can exceed the stated maximums as a percentage on smaller accounts.

Capital Analysts has a supervisory duty to periodically monitor clients' portfolios to ensure suitability of investments and to ensure that the advisory services are being performed for the fee that is being assessed. A potential conflict of interest could exist if an advisory fee may not be commensurate with the level of services performed, including: accounts that have traded infrequently; accounts where there is no documentation of services provided; accounts where high cash balances exist, accounts temporarily unassigned to an advisor, where compensation is received during a period where services are not continuous, and accounts that pay advisory fees that are in excess of stated maximum rates due to minimum fees imposed. Capital Analysts is reviewing each of these identified conflicts against our existing supervisory procedures and will be assessing the materiality of these conflicts. If necessary, Capital Analysts will update supervisory procedures to properly supervise and mitigate these conflicts.

If you are currently participating in an investment advisory program offered by Capital Analysts, LLC, please notify your financial advisor immediately if there have been any changes to your financial situation, investment objectives or you wish to impose reasonable restrictions on the management of your account or reasonably modify existing restrictions.

If you have any questions about these disclosures, please contact your Capital Analysts' financial advisor.

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Brochure Supplement(s) Included:

- Capital Analysts Wrap Fee Program Brochure (Form ADV Part 2A Appendix I)
- Investment Management & Research Team Brochure Supplement (Form ADV Part 2B)

Item 4: Advisory Business

This section describes our firm, the advisory services we offer, how we tailor your portfolio to your individual needs, which of our advisory services allows you to impose investment restrictions, and the total amount of assets we manage.

Our Firm

Who we are... Capital Analysts, LLC (Capital Analysts) is a registered investment adviser; it is not affiliated with any company that issues or sponsors securities or insurance products, and, therefore, provides independent and objective investment advice when making recommendations to you. There is, of course, always the potential for financial conflicts of interest, which are described later in this brochure.

Capital Analysts offers investment advisory services through a network of investment advisor representatives (Advisors) located throughout the United States. Capital Analysts' Advisors are not employees of Capital Analysts; but independent contractors, contracted to offer and perform the services of Capital Analysts.

Capital Analysts was formed in 2012 and is owned by Lincoln Investment Capital Holdings, LLC, a Delaware limited liability company. Lincoln Investment Planning, LLC is a broker-dealer and registered investment adviser that is under common control with Capital Analysts and may perform broker-dealer services for Capital Analysts and its Advisors. On January 1, 2017, Lincoln Investment Capital Holdings, LLC acquired a third registered investment adviser, Legend Advisory, LLC. We refer to these companies as The Lincoln Investment Companies.

Our Advisory Services

What we offer... Capital Analysts offers the following investment advisory services. A more detailed description of each service is provided under the corresponding headings below, as well as in Item 5: Fees and Compensation.

- I. Capital Analysts Proprietary Managed Portfolios – see attached *Capital Analysts Wrap Fee Program Brochure***
- II. Advisor Consulting with Managed Model and/or Client Custom Portfolios**
- III. Third Party Managed Model and Custom Portfolios**
- IV. Periodic Investment Consulting**
- V. Financial Planning Services**
- VI. ERISA Retirement Plan Advice**

In choosing one or more of the services above, your Advisor will work with you to assess your needs and investment objectives. You may be asked to complete a confidential investor profile, or a similar questionnaire or application, providing personal and financial information to assist in this assessment. Your Advisor will collect information including, but not limited to, your investment goals, income requirements, time horizon, and tolerance for risk in order to tailor his or her recommendations to your needs and objectives. Our goal is to provide you with the most appropriate investment advisory service or services to help you meet your financial goals.

In general, Capital Analysts offers proprietary and non-proprietary advisory services through a number of platforms and custodians which are listed on the tables included in this brochure. The platform or custodian chosen by you will depend on the tax type of your account(s), the account custodian you wish to work with, the advisory programs you prefer and the pricing you wish to pay.

I. Capital Analysts Managed Portfolios

The portfolios in the CAAMS offerings that are managed by the Investment Management & Research (“IM&R”) team are offered exclusively as Wrap Fee Programs. A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Capital Analysts and your Advisor for their services and to pay the transaction and clearing costs associated with transactions in your advisory account. The CAAMS Wrap Fee Programs are detailed in the Capital Analysts Wrap Fee Program Brochure (Form ADV Part 2A Appendix I) attached.

II. Advisor Managed Model and Client Custom Portfolios

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

For those Advisors who have been granted the authority to manage accounts on an ongoing discretionary basis, discretionary authority may be exercised using Model Portfolios, where your account is managed to the stated objectives of the portfolio, or custom managed, where your account is constructed and managed to meet your specific objectives (Client Custom Portfolios). Discretionary authority granted to Advisors may be limited or full. “Limited discretion” means that your Advisor has limited authority to select the time and/or price of the security to be purchased or sold, and/or if applicable to rebalance your account back to a pre-stated asset allocation of pre-selected securities. Limited Discretion, which has been granted to all advisors allows them, when necessary, to liquidate shares in one or more securities for the sole purpose of using proceeds to satisfy a shortfall in funds available for the deduction of the quarterly investment advisory fee. An Advisor with limited discretion does not have the authority to select new securities to be purchased in your account. The final decision regarding any new security, whether to buy or sell, remains with the client in a Limited Discretion account. “Full discretion” means your Advisor may place any security transactions in your account without specific consultation with you or authorization by you prior to the transactions being entered. Your written investment advisory agreement will identify whether, and to what degree, you have granted your Advisor discretionary authority on your account.

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

Advisor Managed Model and Client Custom Portfolios				
<i>Advisory Offering</i>	<i>Minimum Investment</i>	<i>Max. Annual Fee to Client</i>	<i>Investment Types</i>	<i>Custodian of Assets</i>
Advisor Consulting with Managed Models and/or Client Custom Portfolios	\$25,000	1.55%	Mutual funds only (CAAMS)	Pershing LLC
Advisor Consulting with Managed Models and/or Client Custom Portfolios	\$25,000	1.55%	Securities such as, but not limited to, mutual funds, stocks, bonds, ETFs, options (CAAMS Plus)	Pershing LLC
Advisor Consulting with Managed Models and/or Client Custom Portfolios	Depends on platform and individual Advisor	2.00%	Securities such as, but not limited to, mutual funds, stocks, bonds, ETFs, options	Fidelity Investments, Charles Schwab & Co., TD Ameritrade, SEI Trust Company, Pentegra Trust Co., or TIAA Cref

III. Third Party Managed Model and Custom Portfolios

CAAMS Select Program

In the CAAMS Select Program, the IM&R team will work with you and Advisor to assist in the selection of one or more third party portfolio managers, called Select Managers, based on your investment objectives and risk tolerance.

Capital Analysts relies on the expertise and management disciplines of these Select Managers when they are engaged to manage your assets to their stated discipline and risk level. Capital Analysts, however, retains the authority to fire Select Manager at any time. If a Select Manager is removed from Capital Analysts' offerings, Capital Analysts will notify you in writing, and allow you the opportunity to change Select Managers.

You will enter into agreements with both Capital Analysts and the Select Manager you choose to provide asset management services. Only the Select Manager exercises discretionary authority to determine the securities to be purchased and sold in your CAAMS Select account. Neither Capital Analysts nor your Advisor has trading authority with respect to your CAAMS Select account. The clearing and custody services for your CAAMS Select, like other CAAMS accounts, are provided by Pershing LLC. Select Managers have account minimum requirements that will vary. A list of Select Managers is shown below. A complete description of each Select Manager's services, fee schedules, and account minimums will be disclosed in their respective Forms ADV 2A, Wrap Brochures, or similar disclosure brochures provided to you at or before the time your CAAMS Select agreement is executed and the account is established.

CAAMS Select Managers			
<i>Select Manager</i>	<i>Minimum Investment</i>	<i>Max. Annual Fee to Client</i>	<i>Investment Discipline(s)</i>
First Fiduciary Investment Counsel	\$200,000	2.05%	Large-cap domestic equity
Fort Washington Investment Advisors	\$1,000,000	1.90%	Domestic fixed income
Franklin Templeton Investments	\$250,000	1.80%	Fixed Income-Intermediate
The Haverford Trust Company	\$250,000	2.05%	Large-cap domestic equity, balanced
One Capital Management LLC	\$500,000	2.20%	Large-cap domestic equity, balanced
RNC-Genter Capital Management	\$250,000	1.85%	Domestic fixed income
SeaCap Investment Advisors	\$300,000	1.90%	Domestic fixed income
The Pennsylvania Trust Company	\$500,000	2.05%	Multi-cap domestic equity
Thornburg Investment Management	\$250,000	2.05%	Large-cap domestic equity, domestic fixed income
Todd-Veredus Asset Management	\$500,000	2.05%	Large-cap domestic equity
Uniplan Investment Counsel	\$100,000	2.05%	Real estate investment trusts (REITs)

Co-Advisor and Sub-Advisor

Capital Analysts may also act as Co-Advisor to introduce you to third party money managers in order to provide you with certain unique investment advisory services tailored to your needs. Neither Capital Analysts nor your Advisor performs the ongoing discretionary asset management in these portfolios; this is provided by the third party money manager. Capital Analysts and your Advisor will charge an additional fee over and above the money manager's fee to work with both you and the money manager to ensure that the managed program continues to meet your needs and goals. As Co-Advisor, Capital Analysts typically is responsible to work with you to collect all necessary information and documentation to assist the third-party investment adviser in managing your assets, and to answer any questions you may have about the third party-managed portfolio.

Solicitor

When Capital Analysts or your Advisor acts as a Solicitor, we introduce you to a third party money manager that we have determined could best manage all or a portion of your assets. Should you choose to do business with the money manager, we will be paid an ongoing percentage of the fee you pay the investment advisor for the introduction or referral. The fee arrangement will be disclosed to you at the time that you are referred to the investment advisor. Neither Capital Analysts nor your Advisor performs any other role with respect to the assets placed with the money manager.

The following table is a list of third party money managers for which Capital Analysts or your Advisor may act as Co-Advisor or Solicitor:

Third Party Money Managers Offering Model and/or Custom Portfolios Capital Analysts may act as Co-Advisor or Solicitor	
Aris Wealth Services, Inc.	ITS Asset Management, L.P.
AssetMark, Inc.	Lockwood Advisors, Inc.
Bellatore Financial, Inc.	LWI Financial Inc./Loring Ward
Bernstein Private Wealth Management	Manning & Napier
Brinker Capital, Inc.	Matson Money, Inc.
BTS Asset Management, Inc.	Morningstar Investment Services
Cardinal Capital Management LLC	Portfolio Strategies Inc.
Clark Capital Management Group, Inc.	Potomac Fund Management
Curian Capital LLC	PTS Asset Management
Edelman Financial Services, LLC	SEI
Envestnet Inc.	Standard Retirement Services
FTJ FundChoice	Symmetry Partners
Goetzler Investment Management	Wallington Asset Management

Not all third party money managers are available to all Advisors and clients. This list is subject to change.

IV. Periodic Investment Consulting

Advisors may, for a fee, provide periodic investment analysis or advice on assets held at a custodian other than Pershing LLC or another custodian with which Capital Analysts has an

advisory relationship; for example, your 401(k) assets held within your employer's plan. Advisors may assist you in diversifying and risk-adjusting your entire household of investments. Advisors may charge you for these services through a flat, hourly, or asset-based fee.

V. Financial Planning

Advisors may, for a fee, offer Financial Planning services. Financial Planning services may include, but are not limited to, retirement, college, tax, business succession planning or insurance needs analysis, and assistance with estate distribution matters. Many Advisors have earned professional designations that qualify them to offer these planning services, but Capital Analysts does not require the Advisor to maintain a professional designation in order to offer financial planning services. Ask your Advisor about his or her professional designations. Capital Analysts does not provide tax or legal advice. Please consult with your personal attorney and tax accountant.

VI. ERISA Retirement Plan Advice

Capital Analysts and its Advisors provide investment advice to sponsors of ERISA retirement plans, as well as education and enrollment services to eligible participants of the plans. At the plan level, Capital Analysts assists the responsible plan fiduciary in analysis, selection, and monitoring of investment options made available to plan participants. Capital Analysts may recommend appropriate mutual fund Model Portfolios, which are managed on a discretionary basis by Capital Analysts, a Select Manager, or a Third Party Money Manager. Advisors of Capital Analysts may also assist eligible participants of these plans in education and enrollment. Capital Analysts may also assist the responsible plan fiduciary in the selection of a product sponsor’s program or third party platform. Below is a list of third party platforms and providers who work with Capital Analysts to provide services to ERISA plans.

ERISA Approved Third Party Platforms	
ADP Retirement Services	Newport Group
Alerus	OneAmerica
Alliance Bernstein	Oppenheimer
American Funds – Recordkeeper Direct	PAi – RIA
Ascensus	PayChex
Aspire Financial Services	PenServ
CUNA (<i>formerly CPI</i>)	Pinnacle Financial Group
Employee Fiduciary	Principal Financial
Empower Retirement (Great West)	ProTPA – RIA
ePlan	Power401k
Expert Plan	SBL – Variflex
Fidelity Advisors	Securian
Independent Financial Partners/Montgomery Retirement Advisors	SEI Private Trust
Invesco	Spectrum Employee Benefits RIA
J. P. Morgan Retirement Link	The Online 401(k)
John Hancock	The Standard
K Trade	Transamerica
Lincoln Financial – Director	Voya
Mass Mutual	
Nationwide	

Assets Under Management

As of December 31, 2016, Capital Analysts and its Advisors managed or advised on over \$3.82 billion in advisory assets:

- \$3.6 billion in advisory assets on a discretionary basis, and
- \$ 228 million in advisory assets on a non-discretionary basis

Item 5: Fees and Compensation

This section provides to you a description of our advisory fees, how and when these advisory fees are collected, and if refunds are available. Other types of fees and expenses that you may incur are described below in the section titled "Other Costs That You May Incur." Other compensation that Capital Analysts and/or your Advisor may receive, which may create a conflict of interest, is described in the section titled "Other Compensation to Capital Analysts Affiliates and Our Conflicts of Interest."

For all advisory services offered by Capital Analysts, the specific manner in which advisory fees are calculated and charged is described in your written Investment Management Agreement. In your agreement, you will also authorize Capital Analysts to directly debit advisory fees from your account. Advisory fees are in most cases automatically deducted on a quarterly basis in advance from cash/money market positions or by liquidating assets held within the account. Capital Analysts may waive or negotiate advisory fees at our sole discretion.

When you engage Capital Analysts, your costs will depend on the Program(s) selected, your Advisor's fee, whether the account will be comprised of mutual funds or ETFs that have their own internal expenses and may or may not have transaction costs, and whether you choose a Wrap or non-Wrap Fee Program. Some mutual funds pay a Distribution Fee, or 12b-1 fee, to Capital Analysts' broker-dealer affiliate, Lincoln Investment. These 12b-1 fees add to the total internal expense of the fund and may not result in the purchase of the lowest expense share class available. Effective February 1, 2017, Lincoln Investment began refunding 12b-1 fees back to all Capital Analysts advisory account(s). The refunded amounts are identified on your Pershing statement as a line item transaction labeled "12b-1 Fee Credit". This will reduce the overall cost to you of your portfolio expenses and also assist in obtaining for you a mutual fund share class cost that is at or within a reasonable differential from the lowest expense share class available.

If we find the refunding of 12b-1 fees in your advisory account does not equate in cost to the lowest expense share class available for that same fund, or a reasonable differential from the lowest expense share class, Capital Analysts will, as permitted by the fund company, convert your existing mutual fund share class to the lowest eligible mutual fund share class for that fund. Share class conversions will occur as deemed necessary by Capital Analysts and will be reflected on your account statements. Despite our efforts to obtain the lowest share class for you, fund expenses can change over time; therefore, we cannot assure you that you will always be in the lowest expense share class. Capital Analysts will periodically compare the expense ratio of your fund with the expense ratio of the other share classes offered by the fund, and make a decision on whether to convert to the lower share class. Capital Analysts will only convert those funds that fall outside of a reasonable expense differential in mutual fund expense ratios. There will be no cost or tax consequences to you if Capital Analysts initiates a share class conversion; however, there could be future transaction costs associated with purchasing or selling the lowest share class.

I. Capital Analysts Managed Portfolios

The portfolios in the CAAMS offerings that are managed by the IM&R team are offered exclusively as Wrap Fee Programs. A Wrap Fee Program is an investment advisory program in which you pay one bundled fee to compensate Capital Analysts and your Advisor for their services *and* to pay the transaction and clearing costs associated with transactions in your advisory account. Capital Analysts' Wrap Fee Programs are offered on Pershing LLC's brokerage platform, and depending on the Wrap Fee Program you select, your managed account may include, but is not limited to, stocks, bonds, mutual funds options, CDs, and exchange traded funds (ETFs). Transactions in most of these securities have transactions costs associated with them; however, certain mutual funds are available on the Pershing LLC platform without transaction costs. The Wrap Fee for these programs is not based directly upon the actual transaction or execution costs for your account. Depending on the underlying securities and number of transactions you expect to trade in your account, a Wrap Fee account may cost you more or less than if you choose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all transaction costs). In general, you should only choose a Wrap Fee Program if you or your Advisor expect to trade regularly in the account.

For further information regarding Capital Analysts' Wrap Fee Program, see the Capital Analysts' Wrap Fee Program Brochure (Form ADV Part 2A Appendix I) attached.

II. Advisor Managed Model and Client Custom Portfolios

Unless otherwise stated, your Advisor's fee is negotiable at the Advisor's sole discretion and to a maximum fee that is established by Capital Analysts. Advisor services, including consultations and advice, are provided for an unbundled fee where you pay a fee to compensate Capital Analysts and your Advisor for their services, and you would pay separately the transaction costs associated with the trading in your account. Advisor managed services and fees typically differ by Advisor.

For accounts custodied on Pershing, LLC, Pershing offers no-load and load-waived mutual funds that can be purchased and sold without any transaction charge (no ticket charges or other transaction costs); however, there are other mutual funds (typically the no-load funds that have very low expense ratios) that are available through Pershing LLC for which you will incur a ticket charge. You should discuss with your Advisor whether you wish to have his or her recommendations limited to the mutual funds offered by Pershing LLC with no transaction charge to acquire; otherwise you may incur this transaction charge in addition to the advisory fee paid for this service. The funds with no transaction fee could have higher expense ratios, which can impact the performance of your account compared to the funds with a transaction fee. Ticket charges are shared with Lincoln Investment and are a source of revenue to Lincoln Investment. This additional revenue to its affiliate can create a potential conflict of interest for Capital Analysts.

Securities other than mutual funds such as stocks, bonds, ETFs, and options, also have ticket charges associated with them that you will incur in addition to the advisory fee. These brokerage charges are described in the Lincoln Investment Brokerage Account Fee Schedule for Accounts Held at Pershing LLC provided to you at the time you establish your account. In addition to transactional charges, brokerage accounts are subject to administrative charges such as retirement plan custody fees, termination fees, wire execution fees, and inactivity fees.

The maximum annual fee that may be charged by your Advisor (Financial Advisor Fee) for his/her services is 1.49% of the assets being advised or managed. In addition, Capital Analysts assesses an annual administrative fee of 0.06% of assets or \$100, whichever is greater. The Administrative Fee minimum of 0.06% will only be applicable if an account value is equal to or greater than \$166,666. For accounts sizes less than \$166,666, you will pay an administrative fee in excess of the stated 0.06%. This minimum annual fee will have a greater relative impact on the total fee paid by smaller accounts.

Your Advisor's fees are billed on a quarterly basis, in the beginning of the quarter in which they will be earned. Fees are based on the market value of all assets held within the account (including cash and cash equivalents), on the last business day of the previous calendar quarter. Accounts opened during a calendar quarter will be charged a prorated fee based on the number of calendar days left in the quarter. For advisory services terminated during the calendar quarter, any prepaid, unearned fees will be refunded on a pro-rata basis, and any earned, unpaid fees will be due and payable on a pro-rata basis. Advisory fees may be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *de minimis* contributions and withdrawals). Some existing clients are assessed fees quarterly in arrears of services rendered. Fees assessed in arrears are no longer offered to new clients. In general, a client may terminate Capital Analysts advisory services at any time upon written notice to us. The death of a client also constitutes termination of any agreement with Capital Analysts, though an executor or other authorized representative may choose to continue services under a new or modified agreement.

Other Advisor Managed Model Portfolios and Client Custom Portfolios

Your Advisor has a choice of platforms to recommend to you for the custody of your assets. The platform and fee for advisory services offered to you can differ by Advisor, whether the Advisor is providing ongoing or periodic asset management or advice to you, what investments are available on the platform (e.g., a mutual fund only or mutual fund and other general securities offerings) and whether the asset advice to be provided by the Advisor is with limited or full discretionary authority.

The specific fee for your managed or advised portfolio is provided within the investment advisory agreement you sign prior to the start of advisory services. Consult with your Advisor to learn more about the advisory services and fees he or she offers.

III. Third Party Portfolio Management Services

CAAMS Select

For the CAAMS Select Program, Capital Analysts has entered into agreements with the Select Managers establishing the maximum Select Manager Fees that may be charged. The maximum annual advisory fee shown in the table in Item 4 compensates the Select Manager, Capital Analysts, and your Advisor. The Select Manager Fee will generally range between 0.50% and 1.00% for equity accounts and between 0.25% and 0.50% for fixed income accounts. The Select Manager Fee will be identified in your investment advisory agreement, which you should carefully review prior to signing. There is a 0.06% annual Capital Analysts (CAI) Administration Fee plus your Advisor's Fee.

The Select Manager Fee may or may not include within their management fee Pershing's transaction charges, such as ticket charges and other transaction costs. Transaction charges for accounts held at Pershing are described in the Lincoln Investment Brokerage Account Fee Schedule for Accounts Held at Pershing LLC provided to you at the time you establish your

account. In addition to transactional charges, brokerage accounts are subject to administrative charges such as retirement plan custody fees, termination fees, wire execution fees, and inactivity fees.

A complete description of each Select Manager's services, fee schedules, and account minimums will be disclosed in their respective Forms ADV 2A, Wrap Brochures, or similar disclosure brochures provided to you at or before the time your CAAMS Select agreement is executed and the account is established.

Co-Advisor or Sub-Advisor

Capital Analysts, as Co-Advisor, works with third party money managers to provide you with access to their investment advisory services. In some instances, a portion of the Advisory Fee charged by the third party manager is paid to Capital Analysts and your Advisor; in other instances, Capital Analysts and your Advisor may add on a fee to the third party money manager's fee for our performance of certain assigned services as a Co-Advisor. Please review your investment advisory agreement and the Form ADV 2A of the third party money manager for further information regarding the advisory fee for your selected advisory service(s) and the portion that is paid to Capital Analysts and your Advisor.

Solicitor

Advisors may also act solely as a Solicitor and introduce or refer you to a third party money manager. For this introduction, the third party money manager will pay Capital Analysts a Solicitor's Fee. This fee, which is typically an ongoing portion of the fee collected from you by the money manager, must be disclosed to you at the time of the introduction in a Solicitor Disclosure Statement. Capital Analysts does not dictate or control the asset management or other fees that may be assessed by the third party money manager. Please review the money manager's ADV Part 2A for more information about their advisory fees.

IV. Periodic Investment Consulting

Periodic Investment Consulting Services that do not include asset management services are generally provided to you by your Advisor on an asset-based, flat fee or hourly fee basis. You will receive an Investment Consulting Agreement before any services are performed. This agreement will describe the services and fees you and your Advisor have agreed upon.

V. Financial Planning

Financial Planning services are generally provided to you by your Advisor on a flat fee or hourly fee basis. You will receive a written financial planning agreement before any financial services begin. This agreement will describe the services and fees you and your Advisor have agreed upon.

VI. ERISA Retirement Plans

Fees for advice and services provided to ERISA retirement plans fees are negotiable between Capital Analysts, the Advisor and the plan sponsor. For plans governed by ERISA, compensation arrangements will involve the offset or refunding of any indirect compensation relating to the assets in the plan, such as 12b-1 fees, to the plan and/or plan participants to ensure level compensation to Capital Analysts and the Advisor. All direct and indirect compensation will be described in the 408(b)(2) disclosure provided when your ERISA account is established.

Additional Information Regarding Fee Billing

In general, a client may terminate Capital Analysts' or its Advisor's advisory services at any time upon written notice to us. The death of an investor also constitutes termination of any agreement with Capital Analysts, though an executor or other authorized representative may choose to continue services under a new or modified agreement. Unearned fees will be refunded to clients on a *pro rata* basis for asset management services. Where a client has paid a flat or hourly fee in advance, fees may be refunded to the client for services not yet performed or delivered. Clients remain responsible to pay fees for services performed but not yet billed.

You could purchase advisory services similar to those offered by Capital Analysts separately from our affiliated investment advisors, Lincoln Investment Planning, LLC or Legend Advisory, LLC, or from another financial services provider. Fees may be higher or lower depending on the investment adviser.

Capital Analysts may offer employees, its Advisors, and family members a discount or waiver of some or all fees.

Other Costs That You May Incur

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

Costs may include the following:

1. **Internal Expenses.** Internal management fees or other expenses charged by the mutual fund or sub-account of a variable annuity (also known as the internal expense). All mutual funds, ETFs and annuity companies charge a fee for the management and operations of their offerings. The higher the internal expense, the more impact it will have on the performance of your portfolio.
2. **Brokerage Account Fees.** Capital Analysts offers its advisory services on various broker-dealer platforms. Each platform assesses different account, service and transaction fees, such as commissions, wire fees, trade-away fees, statement and confirmation fees, retirement plan recordkeeping or custodial fees, and low balance or account termination fees. Please refer to Item 12: Brokerage Practices for further information.
3. **Mutual Fund Short-term Trading Redemption Fees.** Some mutual funds impose short-term trading redemption fees of up to 2% for active trading or exchanging in and out of their funds. This could affect you or your investment advisor's ability to properly manage your portfolio as these costs will impact the performance of your portfolio or may be an incentive not to trade.
4. **Variable Annuity Rider and Contract Costs.** These costs may include, but are not limited to, annual base annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.
5. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other mutual fund purchases. You should consult the fund's prospectus for the product sponsor's specific rules.

Other Compensation to Capital Analysts' Affiliate and Our Conflicts of Interest

Capital Analysts recognizes its fiduciary responsibility to place your interests above ours and that other compensation received by us, or an affiliate, from other sources presents a conflict of interest and could be looked upon by you as an incentive for us to recommend investment products based on compensation

rather than on your financial needs. Capital Analysts, as an investment adviser, receives no compensation other than the advisory fees paid by you.

Most Advisors of Capital Analysts are also registered representatives and investment advisory representatives of Lincoln Investment Planning, LLC (Lincoln Investment), a broker-dealer and registered investment adviser under common control with Capital Analysts, and may offer advisory services, broker-dealer services, or insurance to clients through Lincoln Investment. Legend Advisory, LLC is another affiliated investment adviser with whom some of the advisors may be dually registered. These affiliated relationships present a conflict of interest. Through his or her affiliation with Lincoln Investment and possibly Legend Advisory, your Advisor may be in a position where he or she can offer the same or similar advisory services to you for different investment advisers' fees and compensation structures.

Best Execution. Some mutual funds pay a Distribution Fee, or 12b-1 fee, to Capital Analysts' broker-dealer affiliate, Lincoln Investment. These 12b-1 fees add to the total internal expense of the fund and may not result in the purchase of the lowest expense share class available. Effective February 1, 2017, Lincoln Investment began refunding 12b-1 fees back to all Capital Analysts advisory account(s). The refunded amounts are identified on your Pershing statement as a line item transaction labeled "12b-1 Fee Credit". This will reduce the overall cost to you of your portfolio expenses and also assist in obtaining for you a mutual fund share class cost that is at or within a reasonable differential from the lowest expense share class available.

If we find the refunding of 12b-1 fees in your advisory account does not equate in cost to the lowest expense share class available for that same fund, or a reasonable differential from the lowest expense share class, Capital Analysts will, as permitted by the fund company, convert your existing mutual fund share class to the lowest eligible mutual fund share class for that fund. Share class conversions will occur as deemed necessary by Capital Analysts and will be reflected on your account statements. Despite our efforts to obtain the lowest share class for you, fund expenses can change over time; therefore, we cannot assure you that you will always be in the lowest expense share class. Capital Analysts will periodically compare the expense ratio of your fund with the expense ratio of the other share classes offered by the fund, and make a decision on whether to convert to the lower share class. Capital Analysts will only convert those funds that fall outside of a reasonable expense differential in mutual fund expense ratios. There will be no cost or tax consequences to you if Capital Analysts initiates a share class conversion; however, there could be future transaction costs associated with purchasing or selling the lowest share class.

Transaction Fee and No Transaction Fee (NTF) mutual funds available On Pershing Platform.

In Wrap Fee Programs, the transaction costs are borne by Capital Analysts, not the client. Pershing, LLC offers certain funds with a transaction fee and certain funds with no transactions fee (NTF). A potential conflict of interest exists for Capital Analysts in Wrap Fee Programs to select a NTF mutual fund since Capital Analysts would incur less expense and generate more revenue than if Capital Analysts selected a Transaction Fee fund. As Capital Analysts' will strive to obtain best execution the lowest net expense share class available for that same fund, or a reasonable differential from the lowest expense share class, (netting the refunded 12b-1 fee out of the expense ratio of any share class that offers a 12b-1 fee), regardless of whether it is on the Transaction Fee or NTF list. In Non-Wrap programs, you may be assessed a ticket charge to acquire or sell the lowest share class offering in the future. This ticket charge is shared with Lincoln Investment and is a source of revenue to Lincoln Investment. This additional revenue to its affiliate can also create a potential conflict of interest for Capital Analysts.

Shareholder Service Fee Revenue to Capital Analysts' Affiliate. Lincoln Investment, Capital Analysts' affiliated broker-dealer introduces accounts to Pershing LLC and shares in Shareholder Service fees collected by Pershing from the fund companies, pursuant to a written agreement with Pershing LLC. Lincoln Investment does not share these fees with your advisor. In Capital Analysts' advisory accounts, these fees are derived from Pershing's FundVest FOCUS list of funds that do not pay 12b-1 fees. The receipt of Shareholder Services fees by Lincoln Investment creates a potential conflict of interest for Capital Analysts as they generate revenue to its affiliate, Lincoln Investment. The receipt of this revenue also creates a potential conflict of interest to Capital Analysts to use Pershing as a custodian over other custodians that do not share the Shareholder Service fees paid by mutual funds and to recommend and purchase funds on the FundVest FOCUS list over other funds and platforms that do not pay and share in Shareholder Service fees. We do not believe these potential conflicts are material to Capital Analysts or its affiliate.

Ongoing Fee Conflicts. Capital Analysts has a supervisory duty to periodically monitor clients' portfolios to ensure suitability of investments and to ensure that the advisory services are being performed for the fee that is being assessed. A potential conflict of interest could exist if an advisory fee may not be commensurate with the level of services performed, including: accounts that have traded infrequently; accounts where there is no documentation of services provided; accounts where high cash balances exist, accounts temporarily unassigned to an advisor, where compensation is received during a period where services are not continuous, and accounts that pay advisory fees that are in excess of stated maximum rates due to minimum fees imposed. Capital Analysts is reviewing each of these identified conflicts against our existing supervisory procedures and will be assessing the materiality of these conflicts. If necessary, Capital Analysts will update supervisory procedures to properly supervise and mitigate these conflicts.

Commissions or other compensation on recommendations. Your Advisory Representative may have more than one relationship with you – one as an Advisory Representative over an advisory account and one as a Registered Representative/Agent over a non-advisory account where he or she may receive a sales commission for the sale of securities or insurance products which shall be in addition to any advisory fees earned on your advisory assets. In these situations, our Advisory Representative may have greater financial incentives to offer you both investment and/or insurance sales as well as advisory services. Our Advisors could recommend to you both non-advisory brokerage services for the purchase and sale of securities or insurance products offered by Lincoln Investment, and also advisory services offered by Capital Analysts, Lincoln Investment, or Legend Advisory.

Capital Analysts shares with each Advisor a percentage of the commission and fee received based on the *type* of product or service sold and not specifically on the named product or sponsor of the product. Most of Lincoln Investment's Advisors are independent contractors who may also offer other non-security financial services and products, such as, life, health, disability, long term care and fixed annuity insurance products, and real estate. These services may be offered independent of The Lincoln Investment Companies.

Advisor Due Diligence Seminars. Advisors are invited from time-to-time by product sponsors to due diligence and educational meetings or seminars hosted by the product sponsor. Lincoln Investment must grant permission to our Advisors to attend any meeting or seminar hosted by a product sponsor. Lincoln Investment approves events that are limited to education only and allows the product sponsor to reimburse the Advisor, through Lincoln Investment, for travel expenses only.

Sales Incentives. Lincoln offers sales contests that may provide additional incentives to your Advisor to offer one product or advisory service over another. Lincoln offers sales contests based on such criteria as gross compensation to the Advisor, net sales of managed advisory programs offered by Capital Analysts or one of its affiliated companies, net sales of Advisor managed programs, and net sales of third party managed advisory programs. These contests may provide your Advisor with a conflict of interest and an incentive to offer you fee-based advisory services over commission-based brokerage services. Top achievers in these contests may receive Lincoln-sponsored trips, cash prizes, bonus commissions, extra club points, monetary donations in their name to a charity of their choice or other nominal prizes. No contest is offered which will award the Advisor based upon a specific investment product or on a specific product sponsor. Lincoln Investment will not accept any business that is not deemed suitable for the investor. Lincoln Investment's Advisors may also be licensed and appointed with various insurance companies to offer insurance products to you. Although Lincoln Investment does not offer specific product sales incentives for securities products, issuers of non-securities insurance products, such as fixed annuity issuers, may offer sales incentives to our Advisors in the form of cash bonuses and trips if certain sales thresholds are met. You should ask your Advisor about these incentives at the time of sale.

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

Loans and Advances. On occasion, Lincoln Investment may extend a loan, provide a commission advance, or pay for practice management services for an advisor to assist an advisor in running his or her business. Sometimes these loans or advances may be waived if certain sales or assets under management thresholds or conditions are met. In situations where a sales or assets under management threshold exists, this conflict of interest will be disclosed in the Advisor's Form ADV 2B, which is required to be delivered to every new advisory client.

Other Potential Conflicts

Gifts and Entertainment: Offering or receiving a gift or entertainment could create a conflict of interest. Capital Analysts has instituted a policy that prohibits excessive and/or too frequent gifts or entertainment activities to mitigate this conflict.

Political Contributions: Providing significant political contributions to a state or local official or candidate could create the perception that Capital Analysts or its Advisors are seeking *quid pro quo* arrangements with that state or local government or its employees to open an account with our firm.

Charitable Donations: Providing significant charitable donations to a charity organization could create the perception that Capital Analysts or its Advisors are seeking *quid pro quo* arrangements with that charity or its employees to open an account with our firm.

Sales and Marketing Support. Lincoln Investment, Capital Analysts affiliate broker-dealer, has partnered with a select group of product sponsors and money managers who assist us in the marketing efforts and training of our Advisors on all practice management issues and the benefits of certain products and advisory services. (Strategic Partners).

These Strategic Partners provide financial support to Lincoln Investment as sponsors of sales conferences and events, recognition clubs, client meetings or seminars, or mailings. In return, this compensation provides them access to our dually licensed Advisors. In 2016, this financial support as allocated to Capital Analysts' advisory assets was less than one-half of 1 % of total revenues to Lincoln.

Lincoln Investment holds a number of sales conferences both nationally and regionally throughout the year to educate advisors on such topics as new product offerings, new advisory services, new tax law, new tools and technology and compliance matters to assist Advisors in running their business and to ensure Advisors have the information available to them to act prudently in making decisions on behalf of their clients. Lincoln Investment sets the Sponsorship fee for these annual events. The higher the sponsorship, the more events the Strategic Partner will be permitted to attend in 2017. The fee for event sponsorship has been set by Lincoln Investment and is not based on sales or transactions, and, therefore, does not provide a financial reward to Lincoln Investment or its Advisors to offer these sponsor's products or services over other product sponsors' products or services. Some of this revenue may be used by Lincoln Investment to support the ongoing operational expenses of Lincoln Investment and not used solely for sales and marketing support. This compensation paid to Lincoln Investment is in the form of flat-dollar event sponsorship fees. As of March 31, 2017, the 2017 Strategic Partners are:

Platinum Level Strategic Partner: Russell Investment

Gold Level Strategic Partner: JP Morgan and Meeder Financial

Silver Level Strategic Partner: ICON Advisors, Inc.

Bronze Level Strategic Partner: Lord Abbett and Putnam Investments

This list may be updated from time to time and will be available for viewing at:

www.lincolninvestment.com/StrategicPartners

Item 6: Performance-Based Fees and Side-by-Side Management

Capital Analysts and our Advisors do not receive performance based fees. A performance based fee is an advisory fee that compensates the Advisor for the Advisor's success in managing a client's money or "a fee based on the share of the capital gains and appreciation of a client's funds." A performance based fee may induce an advisor to take greater and undue risks with client's funds in an attempt to generate higher compensation to the advisor. Your Advisory Fees with Capital Analysts are typically assessed as a percentage of the total value of your advisory account assets as of each calendar quarter-end and are not performance based fees.

Item 7: Types of Clients

Capital Analysts provides advisory services to individuals, businesses, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trusts, and other institutions.

Capital Analysts imposes a minimum dollar value of assets for its investment advisory accounts as described in the tables of offerings throughout this brochure. These minimum account requirements may be waived at our sole discretion.

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

Investing in securities involves risk of loss that you, the investor, should be prepared to bear.

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

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

Your Advisor will determine with you your risk profile and objectives, create an asset allocation policy, recommend a risk appropriate diversified portfolio; and may periodically re-balance the account (as directed) back to any stated asset allocation, if any. Your Advisor will also periodically review your account with you to determine if any additional changes should be recommended or made to your account. Your Advisor can analyze your financial situation provided you make available to them your personal and financial data, employee benefit and retirement programs, business continuation plans and even your most recent estate planning arrangements. The Advisor can coordinate with your attorney, accountant, and other staff to discuss solutions. If your Advisor analyzes your investment portfolio, the security analysis methods may include charting, fundamental, technical or cyclical analysis.

Capital Analysts also offers Advisors the results of a proprietary screening and rating methodology called Capital Analysts Performance Statistics Leaders (CAPSL). The objective of CAPSL is to identify consistently superior performing mutual funds for consideration of inclusion in diversified investment portfolios. While the CAPSL list represents funds that have exhibited strong characteristics over full market cycles, it is by no means a buy list. CAPSL is a comprehensive mutual fund research tool proprietary to Capital Analysts. On a quarterly basis, the Investment Management & Research team screens the vast landscape of all U.S. open-ended funds for inclusion on the CAPSL list. Morningstar Direct is used to quantitatively screen over 25,000 funds. Initial screens typically include funds with a five-year track record and those that have at least \$100 million in AUM. Funds are sorted by investment objective and the top 500 funds in each category then undergo an eight-factor quantitative analysis. Finalists are further subjected to style analysis and a qualitative analysis. The final CAPSL list of 100 funds represents less than 1% of the mutual fund universe. This CAPSL list is made available to Advisors quarterly. However, the mutual fund recommendations of Advisors are not limited to those on the CAPSL list.

In overseeing the CAAMS Select program, the Investment Management & Research team utilizes a database that evaluates independent third party portfolio managers and strategies. Comparisons to both peers and appropriate benchmarks are evaluated. Each third party portfolio manager in the CAAMS Select program develops their own proprietary research methodology, investment analysis and risk

strategies. Third party portfolio managers are solely responsible for their investment advice and services.

For more information related to the Methods of Analysis, Investment Strategies and Risk of Loss associated with the advisory services provided by third party portfolio managers, please request a copy of the portfolio managers Form ADV Part 2, Wrap Fee Program Brochure, or other appropriate disclosure documents.

The asset classes and securities used by Capital Analysts and your Advisor in implementing the methods of analysis and investment strategies described above carry material risks.

- **Equities:** The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You may receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment will cause a more significant loss. Diversification assists in reducing concentration risk.
- **Fixed Income Investments:** One of the most important risks associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

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

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

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

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

Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern. Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

- **International Investing:** Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk.
- **Exchange Traded Funds (ETFs):** While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed. Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these securities must understand; due to the significant risk involved in these securities, Capital Analysts will approve their use only on an exception basis.
- **Options:** Certain options strategies are highly specialized contracts based on securities and entail greater than ordinary investment risks.

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

Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Capital Analysts or the integrity of Capital Analysts' management. Capital Analysts has no disciplinary history. Your Advisor should provide along with this brochure a Form ADV 2B Brochure Supplement that describes your Advisor's education, business experience, professional designations and material legal or disciplinary history, if any.

Item 10: Other Financial Industry Activities and Affiliations

Relationship with Lincoln Investment

As noted earlier, Capital Analysts is an affiliate of Lincoln Investment Planning, LLC, which is a registered broker-dealer and investment adviser, as well as a general insurance agency. The majority of

Capital Analysts advisors are also registered representatives of Lincoln Investment. This relationship may present a conflict of interest. Additionally, through its relationship with Lincoln Investment, Capital Analysts introduces client accounts to Pershing LLC, a broker-dealer and member of the New York Stock Exchange, which provides custody and clearing of securities, including exchange traded securities. Pershing LLC carries accounts on a fully disclosed basis. Lincoln Investment is also an introducing broker member of the National Futures Association to facilitate the offering and sale of managed futures contracts to clients. Please refer to the “Other Compensation and Our Conflicts of Interest” section under Item 5 of this brochure for more information.

Authorized Agent for UMB Bank, N.A.

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

NFA Membership

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

Other Affiliated Investment Adviser

Capital Analysts is a wholly-owned subsidiary of Lincoln Investment Capital Holdings, LLC. On January 1, 2017, Lincoln Investment Capital Holdings, LLC acquired Legend Group Holdings, LLC and its subsidiaries, including Legend Advisory, LLC, an SEC registered investment adviser. Advisors of Capital Analysts may be dually registered to offer the advisory services of Lincoln Investment and Legend Advisory, LLC.

Advisors' Other Business Activities and Affiliations

Capital Analysts' Advisors are independent contractors, many of whom hold themselves out to the public under a name other than Capital Analysts and offer other financial services independent of Capital Analysts, such as, life, health, disability, long term care and fixed annuity insurance products, real estate, and business succession planning services. A few of our Advisors may also be qualified lawyers and accountants or hold certain professional designations not required by us to conduct their business. These services are offered independent of Capital Analysts as outside business activities and Capital Analysts assumes no responsibility or supervision over these activities. Please refer to the "Other Compensation and Other Conflicts of Interest" section under Item 5 of this brochure, or refer to your Advisor's ADV 2B brochure supplement, for more information regarding outside business activities and how we address these conflicts. You may go to www.adviserinfo.sec.gov or www.brokercheck.finra.org for further information regarding your Advisors' other business activities or affiliations.

Independent Registered Investment Advisors

Capital Analysts may permit certain Advisors to maintain their own independent registered investment advisers through which they may offer advisory services similar to those services offered by Capital Analysts. In some cases, Capital Analysts allows these Advisors to offer Capital Analysts' advisory services to their investment advisory clients. In these situations, Capital Analysts acts as a sub-adviser or as a third party manager to the Advisors' investment adviser clients. Capital Analysts assumes no

suitability responsibility for any advisory offerings other than those sponsored by us. Advisors affiliated with other registered investment advisory firms must provide to their clients the firm's Form ADV Part 2A, applicable supplements, advisory agreements and disclosures. To inquire as to whether your Advisor is affiliated with a separate registered investment advisory firm, you may go to www.adviserinfo.sec.gov or www.brokercheck.finra.org.

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

Code of Ethics

As a fiduciary, Capital Analysts has established a Code of Ethics under which all Capital Analysts employees and Advisors must comply. Capital Analysts accepts its fiduciary responsibility to (1) place the interests of clients first at all times, (2) act with the utmost good faith, (3) provide full and fair disclosure of all material facts and conflicts of interest to clients, and (4) conduct all personal securities transactions consistent with its Code of Ethics.

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

Participation or Interest in Client Accounts and Personal Trading

Capital Analysts, its Advisors, members of the Investment Management & Research team, and employees may buy or sell for themselves securities that are also recommended to clients. With the exception of its Insider Trading policies and procedures, Capital Analysts does not impose on itself or any person associated with it any restrictions in connection with the purchase or sale, directly or indirectly, of investments for his or her own account. Capital Analysts requires that Advisors disclose any and all conflicts of interest to you if an investment product is recommended in which Capital Analysts or the Advisor has a material financial interest.

For all portfolios on which Capital Analysts or your Advisor have discretionary authority, the Advisor and his or her employees must give priority when placing an order to buy or sell to client securities purchases and sales over their own personal transactions in the same security.

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

Item 12: Brokerage Practices

Capital Analysts utilizes its affiliate, Lincoln Investment, as its introducing broker-dealer unless specifically directed by a client or third party manager to place trades with another broker-dealer. Lincoln

Investment's primary clearing arrangement is with Pershing LLC. Pershing may make a market in stocks, bonds, and ETFs in which Lincoln Investment has acted as broker. Lincoln Investment and Capital Analysts have policies and procedures in place to monitor trade execution practices at Pershing LLC to its best execution obligations with respect to these types of securities on behalf of Capital Analysts' clients. Capital Analysts does not receive "research" or higher execution costs (soft dollars) from broker-dealers in exchange for the directing of brokerage. Most transactions clear through Pershing LLC to facilitate our ability to access and properly monitor your investments.

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

Trade Aggregation Policy

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

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

Trades in the following situations will typically be aggregated:

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

Trades in the following situations will not typically be aggregated:

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

If the security to be purchased in aggregate cannot be obtained in the total quantity required, the allocation of that security will be made on a pro rata basis determined by the ratio of the quantity obtained to the share quantity required to implement the investment strategy. Each client would participate in the

order at the average price for all of the transactions on a given day. The transaction cost to all advisory clients shall be the standard ticket charge for the aggregated order.

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

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

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

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

Item 13: Review of Accounts

Account Review Policies and Procedures

Your Advisor is responsible to ensure that the recommended advisory service is suitable for you. Many of our programs are managed to meet different levels of risk, so choosing the appropriate risk level or tolerance for market fluctuation and potential loss of investment is an important part of your decision. At a minimum, annual reviews should be held by you with your Advisor to ensure that the advisory program continues to meet your needs and goals. Furthermore, the Advisor Fee portion of your Wrap Fee compensates your Advisor for his or her services. This fee is an annual fee that continues as long as you maintain your account with us. This fee provides ongoing access to your Advisor for Financial and Life Planning Consultation, as requested by you, as well as ongoing Investment Advice Services which include, at minimum, assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, conversing with you on an as-needed or as requested basis, but, at minimum, annually, to ensure that the investments and programs continue to meet your stated objectives and needs. It is important therefore that you make the time to speak with your Advisor at least annually or whenever there is a material life event that could affect or change your investment objectives or financial needs.

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

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

- The management of all CAAMS Wrap Fee Programs
- The selection of advisory services offered by Capital Analysts;
- The monitoring of advisory services offered by Capital Analysts;

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

Written Reports

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

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

Item 14: Client Referrals and Other Compensation

On occasion, Capital Analysts permits an Advisor to compensate an outside party (for example, an attorney or an accountant) for client referrals to the Advisor for one of our advisory services. The outside party must execute a Solicitor Agreement with Capital Analysts, and you will receive a Solicitor Disclosure Statement at the time of the referral describing the relationship and portion of your advisory fee that will be paid by us to the Solicitor. At no time will you pay a higher advisory fee as a result of this referral relationship.

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

Item 15: Custody

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

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

based on accounting procedures and reporting dates. Please contact your Advisor or Capital Analysts regarding any statement discrepancies.

Item 16: Investment Discretion

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

Discretionary authority granted to Advisors may be limited or full. “Limited discretion” means that your Advisor has limited authority to select the time and/or price of the security to be purchased or sold, and/or if applicable to rebalance your account back to a pre-stated asset allocation of pre-selected securities. Limited Discretion, which has been granted to all advisors allows them, when necessary, to liquidate shares in one or more securities for the sole purpose of using proceeds to satisfy a shortfall in funds available for the deduction of the quarterly investment advisory fee. An Advisor with limited discretion does not have the authority to select new securities to be purchased in your account. The final decision as to any new securities to be bought or sold remains with the client in a Limited Discretion account. “Full discretion” means your Advisor may place any security transactions in your account without specific consultation with you or authorization by you prior to the transactions being entered. Your written investment advisory agreement will identify whether, and to what degree, you have granted your Advisor discretionary authority on your account.

Item 17: Voting Client Securities

Neither Capital Analysts nor your Advisor vote proxies on your behalf in any non-Wrap Fee Program described in this brochure. Currently, the Investment Management & Research team votes all proxies for all CAAMS Wrap Fee Programs; see the Capital Analysts Wrap Fee Program Brochure for more information on Capital Analysts’ proxy voting policies. Advisors cannot vote proxies on your behalf.

Item 18: Financial Information

As a registered investment adviser, Capital Analysts is required to provide you with certain financial information and disclosures about our financial condition if we collect more than \$1,200 in fees per client, six months or more in advance. Capital Analysts has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, has not been the subject of a bankruptcy proceeding and does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.



Capital Analysts, LLC
Wrap Fee Program Brochure

As of March 31, 2017

Main Office:

601 Office Center Drive
Fort Washington, PA 19034

Cincinnati Service Center:

Suite 150
8230 Montgomery Rd
Cincinnati, OH 45236
(513) 381-0200

You may also visit us on the web at www.capitalanalysts.com.

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

Additional information about Capital Analysts, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

For material changes in Capital Analysts, LLC's investment advisory services and operations since its last Form ADV2A annual amendment in March 2016 see page 2 of the attached Capital Analysts Investment Advisory Disclosure Brochure – Form ADV Part 2A.

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Brochure Supplement(s) included:

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

Item 4: Service, Fees and Compensation

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

General Information Regarding Wrap Fee Programs

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

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

Depending on the underlying investments and amount of transactions you expect to trade in your account, a Wrap Fee account may cost you more or less than if you chose to pay separately for all of your transaction costs (e.g., pay the advisory fee plus all ticket charges).

Similarly, if you are interested in a mutual fund-only portfolio, then a Wrap Fee Program may not be the lowest cost option for you. Pershing LLC offers many mutual funds with no transaction fees. Your Advisor will review your investment objectives with you to determine the best offering for you.

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

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

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

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

You should review the costs for each of the management services separately, as well as consider the internal costs of mutual funds in your account, when analyzing the total cost to you. Some mutual funds pay a Distribution Fee, or 12b-1 fee, to Capital Analysts' broker-dealer affiliate, Lincoln Investment. These 12b-1 fees add to the total internal expense of the fund and may not result in the purchase of the lowest expense share class available. Effective February 1, 2017, Lincoln Investment began refunding 12b-1 fees back to all Capital Analysts advisory account(s). The refunded amounts are identified on your Pershing statement as a line item transaction labeled "12b-1 Fee Credit". This will reduce the overall cost to you of your portfolio expenses and also assist in obtaining for you a mutual fund share class cost that is at or within a reasonable differential from the lowest expense share class available. Please contact your Advisor for a schedule of fees and costs associated with our Wrap Fee Program(s).

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

Description of Wrap Fee Programs and Fees

Capital Analysts sponsors the following Wrap Fee Programs.

- I. CAAMS Complete**
 - CAAMS Alternative*
 - CAAMS Yield*
 - CAAMS Custom Income Strategies*
- II. CAAMS AssetBuilder**
- III. CAAMS ETF**
 - Managed Volatility Portfolios*
- IV. CAAMS Stock**
- V. CAAMS UMA**
- VI. CAAMS Strategists**
 - J.P. Morgan Global Multi-Asset*
 - DoubleLine Tactical Volatility*
 - Meeder Advisory Services, Inc.*
- VII. CAAMS/Beacon Focus – closed to new clients**

CAAMS Wrap Fee Programs, with the exception of the CAAMS Strategists Program and certain CAAMS/Beacon Focus portfolios, are exclusively managed on a discretionary basis by Capital Analysts through its Investment Management & Research (IM&R) team. The IM&R team's background is described in more detail in the ADV 2B Brochure Supplement to this brochure.

When you select a CAAMS Wrap Fee Program, you must authorize, in writing, full discretionary trading authority to the IM&R team. "Full discretion" means Capital Analysts may place any security transactions in your account without specific consultation with or authorization by you prior to the

transactions being entered. For CAAMS Strategists accounts, you are giving Capital Analysts full discretionary authority to manage and/or effect securities transactions in your account based on the model portfolios decisions of third-party portfolio managers. Custody and clearing services for CAAMS portfolios are performed by Pershing LLC.

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

The Wrap Fee amounts provided below represent the maximum annual fee that may be charged. The services and costs covered by the Wrap Fee are:

- Your Capital Analysts' Advisor's Annual Consultation and Investment Advice Services Fee;
- Capital Analysts' IM&R Team or Third Party Strategists' Annual Management Fee;
- Pershing LLC Transaction and Clearing costs associated with IM&R initiated transactions in the account (ticket charges and confirmation fees);
- Short term trading costs imposed by mutual funds if IM&R moves in and out of a fund within a specified short time frame;
- Charges imposed if certain investment minimums are not met by IM&R;
- Surcharges imposed when IM&R purchases no-load or low cost mutual funds or index funds; and
- Inactivity fees assessed on the account.

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

Wrap Fee Program Model Portfolio Offerings Managed by IM&R Team	Types of Securities available in Managed Account	Maximum Percentage Annual Capital Analysts Management Fee (as a percentage of assets in the Account), or Minimum Annual Dollar Fee Fee is not negotiable	Maximum Annual Advisor Fee (as a percentage of assets in the Account) Fee is Negotiable	Maximum Annual Wrap Fee (Total of columns to left)*	Minimum Account Size for Program (may be waived)	Minimum Account Size needed to Avoid \$250 or \$150 Annual Capital Analysts Management Fee*	
CAAMS Complete	Mutual funds and ETFs	0.25% or \$250, whichever is greater	1.50%	1.75%*	\$50,000	\$100,000	
CAAMS Complete Sleeves	CAAMS Alternative	Mutual funds and ETFs	0.25% or \$250, whichever is greater	1.50%	1.75%*	\$50,000	\$100,000
	CAAMS Yield	Mutual funds and ETFs	0.25% or \$250, whichever is greater	1.50%	1.75%*	\$50,000	\$100,000
	CAAMS Custom Income Strategies	Customizable to include corporate, municipal, and government debt, ETFs, options, stocks, and CDs	0.25% or \$250, whichever is greater	1.50%	1.75%*	\$250,000	\$100,000

Wrap Fee Program Model Portfolio Offerings Managed by IM&R Team	Types of Securities available in Managed Account	Maximum Percentage Annual Capital Analysts Management Fee (as a percentage of assets in the Account), or Minimum Annual Dollar Fee Fee is not negotiable	Maximum Annual Advisor Fee (as a percentage of assets in the Account) Fee is Negotiable	Maximum Annual Wrap Fee (Total of columns to left)*	Minimum Account Size for Program (may be waived)	Minimum Account Size needed to Avoid \$250 or \$150 Annual Capital Analysts Management Fee*
CAAMS AssetBuilder	Mutual funds	0.25% or \$150, whichever is greater	1.50%	1.75%*	\$15,000	\$60,000
CAAMS ETF	ETFs	0.30% or \$250, whichever is greater	1.50%	1.80%*	\$50,000	\$83,333
CAAMS Stock	Stocks and ETFs	0.45% or \$250, whichever is greater	1.50%	1.95%*	\$100,000	\$55,555
CAAMS Unified Management Account (UMA)	Mutual funds, stocks, and ETFs	0.45% or \$250, whichever is greater	1.50%	1.95%*	\$100,000	\$55,555
CAAMS Strategists	DoubleLine Tactical Volatility	0.50%	1.50%	2.00%	\$50,000	
	J.P. Morgan Global Multi-Asset	0.50%	1.50%	2.00%	\$50,000	
	Meeder Advisory Services, Inc.	0.50%	1.50%	2.00%	\$50,000	

*Important Note: Clients could pay higher than the percentage fee quoted as the Maximum Annual Wrap Fee due to the \$250 and \$150 minimum Capital Analysts Annual Management Fees. For instance, for those Capital Analysts Programs with a fee of 0.25% of assets or \$250, whichever is greater, accounts with less than \$100,000 will pay Capital Analysts' \$250 minimum fee and pay an effective rate higher than 1.75%. Asset Builder accounts would need an account value of \$60,000 or greater to avoid paying the \$150 minimum and an effective rate higher than 1.75%. Capital Analysts' \$250 and \$150 minimum management fee would have a greater relative impact on the total fee paid by smaller accounts.

Important Note: All portfolios are custodied at Pershing LLC. With some mutual fund offerings on Pershing's FOCUS List, Pershing shares with Capital Analysts' broker-dealer affiliate, Lincoln Investment, a portion of the Shareholder Service Fee they receive from the fund. This may result in total compensation to Financial Advisor, Capital Analysts, or its affiliates of greater than 2.00%.

The Advisor Fee. The Advisor Fee portion of your Wrap Fee compensates your Advisor for his or her services. This fee is an annual fee that continues as long as you maintain your account with us. This fee provides ongoing access to your Advisor for Financial and Life Planning Consultation, as requested by you, as well as ongoing Investment Advice Services which include, at minimum, assisting you in the determination of the appropriate investment advisory investments and advisory programs for you, conversing with you on an as-needed or as requested basis, but, at minimum, annually, to ensure that the investments and programs continue to meet your stated objectives and needs. It is important therefore that

you make the time to speak with your Advisor at least annually or whenever there is a material life event that could affect or change your investment objectives or financial needs.

The Capital Analysts Programs Management Fees

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

Breakpoint for Capital Analysts Management Fees

All IM&R Managed programs have a Breakpoint Table for fees. The IM&R portion of the fee is reduced for assets that meet or exceed the breakpoints. Some Advisors also offer Fee Breakpoints for their services. The Fee breakpoints, if applicable, will be reflected in your Capital Analysts Investment Management Agreement.

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

Lincoln Investment refunds 12b-1 fees back to your advisory account(s). The refunded amounts are identified on your Pershing statement as a line item transaction labeled “12b-1 Fee Credit”.

Details regarding each CAAMS Wrap Fee Program are below.

I. CAAMS Complete

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

The objective of CAPSL is to identify consistently superior performing mutual funds for consideration of inclusion in diversified investment portfolios. While the CAPSL list represents funds that have exhibited strong characteristics over full market cycles, it is by no means a buy list. On a quarterly basis, the Investment Management & Research team screens the vast landscape of all U.S. open-ended funds for inclusion on the CAPSL list. Morningstar Direct is used to quantitatively screen over 25,000 funds. Initial screens typically include funds with a five-year track record and those that have at least \$100 million in AUM. Funds are sorted by investment objective and the top 500 funds in each category then undergo an eight-factor quantitative analysis. Finalists are further subjected to style analysis and a qualitative analysis. The final CAPSL list of 100 funds represents less than 1% of the mutual fund universe. This CAPSL list, together with occasional selected ETFs, forms the basis for CAAMS Complete and CAAMS AssetBuilder portfolios. The CAAMS Custom Income Strategies portfolios are an exception and are constructed on a client-by-client basis, generally utilizing a corporate, government and/or municipal bond laddering strategy.

Pershing LLC offers certain mutual funds with no transaction fees (“NTF funds”). When selecting specific mutual funds for use in CAAMS Complete and CAAMS AssetBuilder portfolios, the IM&R team will use the CAPSL list in conjunction with Pershing’s list of NTF funds. If a fund that has been deemed appropriate for use in one or more portfolios is not available on the NTF funds list, the IM&R team will choose a fund that has transaction costs, which are covered by your Wrap Fee. However, because of the breadth of Pershing’s NTF funds

list, transaction costs are not frequently incurred in CAAMS Complete and CAAMS AssetBuilder. This means your Wrap Fee for these programs is covering fewer actual transaction costs than it would if the NTF funds list were not available.

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

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

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

CAAMS Alternatives

CAAMS Alternatives model portfolio uses alternative mutual funds and ETFs to gain exposure to alternative investments in order to complement a larger diversified portfolio.

CAAMS Yield

The CAAMS Yield model portfolio is focused on generating income. The portfolio typically allocates to income producing mutual funds and ETFs to gain exposure to both high-dividend equities and yield-bearing bonds.

CAAMS Custom Income Strategies

Capital Analysts offers the CAAMS Custom Income Strategies program. Custom management means your account is constructed and managed to meet your specific objectives, on a discretionary basis. All other Capital Analysts Wrap Programs are managed as Model Portfolios where the portfolio is managed to the stated objectives of the portfolio, not to you or your account. You and your Advisor will work together to determine your specific risk tolerance and potential income needs. Your portfolio will be structured accordingly by the IM&R team using a laddered bond strategy which may use corporate, municipal, and government debt, as well as other investments such as ETFs, preferred and common stocks, and closed-end funds, covered options, and CDs to help increase yield. These portfolios have a higher minimum investment size than other CAAMS Complete programs.

Fees and Expenses

Assets Under Management (minimum account \$50,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Management Fee*	0.25%	0.20%	0.15%	0.10%

*Minimum Annual Capital Analysts Management Fee is \$250.00, assessed at \$62.50 per calendar quarter.

II. CAAMS AssetBuilder

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

See the description of the CAAMS Complete program above for more information on mutual fund selection in CAAMS AssetBuilder portfolios.

Fees and Expenses

Assets Under Management (minimum account \$15,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Management Fee*	0.25%	0.20%	0.15%	0.10%

*Minimum Annual Capital Analysts Management Fee is \$150.00, assessed at \$37.50 per calendar quarter.

III. CAAMS ETF Portfolios

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

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

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

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

- Income & Growth
- Capital Growth
- High Equity

Fees and Expenses

Assets Under Management (minimum account \$50,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Management Fee*	0.30%	0.25%	0.20%	0.15%

*Minimum Annual Capital Analysts Management Fee is \$250.00, assessed at \$62.50 per calendar quarter.

IV. CAAMS Stock

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

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

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

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

Fees and Expenses

Assets Under Management (minimum account \$100,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Management Fee*	0.45%	0.35%	0.25%	0.20%

*Minimum Annual Capital Analysts Management Fee is \$250.00, assessed at \$62.50 per calendar quarter.

V. CAAMS Unified Management Account (UMA)

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

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

- Income & Growth
- Balanced
- Growth
- Aggressive Growth
- High Equity

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

Fees and Expenses

Assets Under Management (Minimum initial account \$100,000)	First \$500,000	Next \$500,000	Next \$1,000,000	Over \$2,000,000
Capital Analysts Management Fee*	0.45%	0.35%	0.25%	0.20%

*Minimum Annual Capital Analysts Management Fee is \$250.00, assessed at \$62.50 per calendar quarter.

VI. CAAMS Strategists

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

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

DoubleLine Volatility

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

- Conservative
- Moderate Conservative

J.P. Morgan Global Multi-Asset

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

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

Meeder Advisory Services, Inc.

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

- Flexible Income
- Conservative
- Moderate Conservative

- Balanced
- Moderate Growth
- Growth

Fees and Expenses

Assets Under Management (Minimum Account \$50,000)	First \$100,000	Next \$400,000	Next \$500,000	Over \$1,000,000
Capital Analysts Management Fee	0.50%	0.45%	0.35%	0.25%

VII. CAAMS/Beacon Focus – CLOSED TO NEW CLIENTS

This program is no longer accepting new client accounts. Assets within this program remain custodied at Pershing LLC.

CAAMS/Beacon Focus portfolios are open architecture model portfolios using mutual funds, individual stocks, and exchange-traded funds (ETFs) that are co-managed with certain Capital Analysts Advisors who are associated with Beacon Financial Advisory, LLC, an independent, non-affiliated registered investment adviser offering certain services through Capital Analysts, LLC and Lincoln Investment Planning, LLC as broker-dealer.

Additional Information Regarding Wrap Program Fees

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

Should you transfer security holdings that require liquidation into your Wrap Fee account, you may incur one-time ticket charges, as indicated in your Investment Management Agreement or listed in the Lincoln Investment Brokerage Account Fee Schedule for Accounts Held at Pershing LLC.

Capital Analysts has existing clients in the CAAMS Stock and CAAMS ETF programs that pay an Investment Advisory Fee to the Advisor, a Management Fee to Capital Analysts, plus all ticket charges for the transactions that occur within their managed accounts. These non-Wrap Fee Program CAAMS Stock and CAAMS ETF Programs are no longer offered to new clients. Existing clients should refer to their advisory agreement for a description of the fees paid by them. In addition, some existing CAAMS Wrap Fee Program and non-Wrap Fee Program clients are assessed fees quarterly in arrears; these arrangements are no longer offered to new clients.

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

For all CAAMS Wrap Fee Programs, fees are billed on a quarterly basis. In your investment management agreement, you give Capital Analysts authorization to instruct the account custodian, Pershing LLC, to directly debit fees owed to Capital Analysts from your account. Fees may be deducted from cash holdings

or by liquidating assets held in the account at the discretion of Capital Analysts. Fees are assessed in advance or arrears, as indicated in your agreement with Capital Analysts, and are based on the market value of all assets held within the account (including cash and cash equivalents) on the last business day of the calendar quarter.

Accounts initiated during a calendar quarter will be charged a prorated fee based on the number of calendar days left in the quarter. For advisory services terminated during the calendar quarter, any prepaid, unearned fees will be refunded on a *pro rata* basis, and any earned, unpaid fees will be due and payable on a *pro rata* basis. Advisory fees may be prorated for each capital contribution and withdrawal of \$100 or more made during the applicable calendar quarter. Account fees and/or method of calculation may be changed with thirty days written notice to you by Capital Analysts.

In general, a client may terminate Capital Analysts' or its Advisor's advisory services at any time upon written notice to us. The death of an investor also constitutes termination of any agreement with Capital Analysts, though an executor or other authorized representative may choose to continue services under a new or modified agreement. Unearned fees will be refunded to clients on a *pro rata* basis for asset management services.

Capital Analysts may offer employees, its Advisors, and family members a discount or waiver of Wrap Fee Program fees.

Other Fees in Wrap Fee Accounts

The Wrap Fee will cover your transaction and clearing costs associated with transactions in the account, (such as ticket charges and confirmation fees), short term trading costs imposed by mutual funds if IM&R moves in and out of a fund within a specified short time frame, charges imposed if certain investment minimums are not met by IM&R; surcharges imposed when IM&R purchases no-load or low cost mutual funds or index funds and inactivity fees assessed on the account. You will, however, be responsible for other administrative charges that may be imposed by Pershing LLC, such as: IRA Custody and Termination, wire transfer and electronic fund fees, statement delivery charges, and other fees and taxes on brokerage accounts and securities transactions. For information on the fees applicable to Wrap Fee accounts held at Pershing LLC, please refer to the Lincoln Investment Brokerage Account Fee Schedule for Accounts Held at Pershing LLC or ask your Advisor.

Other Costs That You May Incur

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

Costs may include the following:

6. **Internal Expenses.** Internal management fees or other expenses charged by the mutual fund, ETFs or sub-account of a variable annuity (also known as the internal expense). All mutual funds and annuity companies charge a fee for the management and operations of their offerings. The higher the internal expense, the more impact it will have on the performance of your portfolio.
7. **Brokerage Account Fees.** Capital Analysts offers its Wrap Fee Programs exclusively through Pershing LLC. Pershing LLC may assess fees other than those transaction costs covered by your Wrap Fee, including, wire fees, trade-away fees, statement fees, retirement plan recordkeeping, custodial fees and termination fees.
8. **Variable Annuity Rider and Contract Costs.** These costs may include, but are not limited to, annual base annuity contract charges, optional benefit riders, underlying sub-account expenses, and potential surrender fees.

9. **Rights of Accumulation.** Many mutual funds offer rights of accumulation or other sales charge discounts. The mutual fund company may or may not count your assets held in an advisory service as eligible for a reduced sales charge on other mutual fund purchases. You should consult the fund’s prospectus for the product sponsor's specific rules.

Other Compensation to Capital Analysts and Our Conflicts of Interest

For a description of potential and actual conflicts of interest in Capital Analysts’ performance of advisory services, see Form ADV Part 2A Brochure, Item 5: Fees and Compensation, Other Compensation to Capital Analysts and Our Conflicts of Interest

Item 5: Account Requirements and Types of Clients

Types of Clients

Capital Analysts provides advisory services to individuals, businesses, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, trusts, and other institutions.

Account Requirements

Capital Analysts imposes a minimum dollar value of assets for its Wrap Fee accounts as described below. These minimum account requirements may be waived at our sole discretion.

Wrap Fee Program Name	Minimum Investment
CAAMS Complete (including Alternatives and Yield)	\$50,000
CAAMS Custom Income Strategies	\$250,000
CAAMS AssetBuilder	\$15,000
CAAMS ETF	\$50,000
CAAMS Stock	\$100,000
CAAMS UMA	\$100,000
CAAMS Strategists	\$50,000

Item 6: Portfolio Manager Selection and Evaluation

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

Other Advisory Business

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

1. Advisor Managed Model and Client Custom Portfolios
2. Third Party Managed Model and Custom Portfolios
3. Periodic Investment Consulting

4. Financial Planning Services
5. ERISA Retirement Plan Advice

Performance-Based Fees and Side-by-Side Management

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

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

Method of Analysis, Investment Strategies and Risk of Loss

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

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

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

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

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

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

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

- **Equities:** The price of equities fluctuate due to many factors including changes in interest rates, global events, industry and company specific events, investor expectations, and general market conditions. You may receive more or less than the original purchase price when selling a security. Concentrated positions in equities typically pose additional risks as a downturn in your investment will cause a more significant loss. Diversification assists in reducing concentration risk. For its stock research, Capital Analysts applies various fundamental and technical screens to the investable universe of stocks and compares the results with current research recommendations of major independent services including Value Line, Standard & Poor's, Argus Research and Zacks Investment Research. Additional Wall Street analyst research is also factored into the stock selection process.
- **Fixed Income Investments:** One of the most important risks associated with fixed-income securities is interest rate risk, the risk encountered in the relationship between bond prices and interest rates. The price of a bond will change in the opposite direction of movements in prevailing interest rates. For example, as interest rates rise, bond prices will generally fall. If an investor has to sell a bond prior to the maturity date, an increase in interest rates could mean that the bondholder will experience a capital loss (i.e., selling the bond below its original purchase price).

Reinvestment risk is the risk that the interest rate at which the interim cash flows can be reinvested will decline and thus reinvestments will receive a lower interest rate. Reinvestment risk is greater for longer holding periods.

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

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

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

Inflation risk arises because the value of the cash flows being received from a debt obligation may actually lose purchasing power over the course of time due to the effects of inflation. Liquidity risk depends on the ease with which an asset can be sold at or near its current value. The best indicator to measure an issue's liquidity is the size of the spread between the bid price and the ask price quoted by a dealer. A wider spread on the asset indicates a greater liquidity risk. If you plan on holding a bond until its maturity date, liquidity risk is less of a concern. Finally, exchange rate risk, which is encountered in non-dollar denominated bonds or bonds whose payments occur in a foreign currency, has unknown U.S. currency cash flows. The dollar cash flows are dependent on the exchange rate at the time the payments are received. For example, consider a bond whose coupon payment is paid out in Japanese yen. If the yen depreciates relative to the U.S. dollar, fewer net dollars will be received. Conversely, if the yen should appreciate relative to the U.S. dollar, the investor will benefit by receiving more net dollars.

- **International Investing:** Investing in the global market can assist with diversification of a portfolio but it is important to consider some of the unique risks with such a strategy. Each country has unique rules and regulations covering corporations and their stock markets which offer investors varying degrees of protection. Additionally, investing in foreign markets subjects your investment to currency risk.
- **Exchange Traded Funds (ETFs):** While investing in ETFs has similar risks as investing in individual equities, ETFs typically invest in a diverse group of securities. The level of diversification varies by ETF. While ETFs reduce the effects of concentration risk as compared to investing in a single security, certain ETFs are susceptible to industry, commodity or country risk. Investing in a diverse selection of ETFs may help to reduce this risk. Another important factor to consider with ETFs is that the portfolio of securities in which they invest are typically not actively managed. Leveraged and Inverse ETFs bear unique risks that investors who wish to trade in these securities must understand; due to the significant risk involved in these securities, Capital Analysts will approve their use only on an exception basis.
- **Options:** Certain options strategies are highly specialized contracts based on securities and entail greater than ordinary investment risks.

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

Voting Client Securities

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

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

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

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

Item 7: Client Information Provided to Portfolio Managers

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

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

Item 8: Client Contact with Portfolio Managers

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

Item 9: Additional Information

Please refer to Capital Analysts' Form ADV Part 2A, Items 9 through Item 17 for Additional Information about Capital Analysts, including, Disciplinary Information, Other Financial Industry Activities and Affiliations, the firm's Code of Ethics, Participation or Interest in Client Transactions and Personal Trading, Review of Accounts, Client Referrals and Other Compensation, Frequency of Reports, and Use of Solicitors.



Capital Analysts, LLC (Capital Analysts)
601 Office Center Drive
Fort Washington, PA 19034

Investment Management & Research

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

March 31, 2017

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

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

Additional information about each of the members of the IM&R team is available through the U.S. Securities and Exchange Commission at www.adviserinfo.sec.gov.

Stephen T. Mayhew, CFA, CPA, CFP®

EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Year of Birth: 1957

Education

Master of Business Administration, Drexel University, 1984

Bachelor of Science, Business, Pennsylvania State University, 1979

Business Experience

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

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

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

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

Professional Licenses/Designations

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

Chartered Financial Analyst (CFA)

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

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

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

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

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

Certified Public Accountant (CPA)

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

Certified Financial Planner (CFP®)

Designation Status: Currently offered and recognized by the issuing organization

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

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

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

DISCIPLINARY INFORMATION

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

OTHER BUSINESS ACTIVITIES

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

Mr. Mayhew serves as a FINRA Dispute Resolution Arbitrator.

ADDITIONAL COMPENSATION

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

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

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

SUPERVISION

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

Christopher J. Surrichio, CFA

EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Year of Birth: 1970

Education

Bachelor of Arts, Economics, Boston College, 1992

Business Experience

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

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

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

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

Professional Licenses/Designations

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

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

Chartered Financial Analyst (CFA)

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

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

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

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

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

DISCIPLINARY INFORMATION

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

OTHER BUSINESS ACTIVITIES

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

Mr. Surrichio has no other business activities to report.

ADDITIONAL COMPENSATION

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

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

SUPERVISION

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

Gerald E. Burhop, CFA

EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Year of Birth: 1964

Education

Master of Business Administration, Finance, Temple University, 1998

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

Business Experience

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

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

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

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

Professional Licenses/Designations

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

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

Chartered Financial Analyst (CFA)

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

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

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

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

Examination Type: Three course exams

Continuing Education/Experience Requirements: None

Certificate in Investment Performance Measurement (CIPM)

Designation Status: Currently offered and recognized by the issuing organization

Issuing Organization: CFA Institute

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

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

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

Examination Type: Two level exams (Principles and Expert)

Continuing Education/Experience Requirements: None

DISCIPLINARY INFORMATION

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

OTHER BUSINESS ACTIVITIES

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

Mr. Burhop has no other business activities to report.

ADDITIONAL COMPENSATION

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

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

SUPERVISION

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

Brian Moran

EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Year of Birth: 1967

Education

Master of Business Administration, Drexel University, 2012

Bachelor of Science, Economics, University of Pennsylvania, 1990

Business Experience

Capital Analysts, LLC, June 2012 – Present, Institutional Trading Manager

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

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

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

Professional Licenses/Designations

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

DISCIPLINARY INFORMATION

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

OTHER BUSINESS ACTIVITIES

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

Mr. Moran has no other business activities to report.

ADDITIONAL COMPENSATION

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

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

SUPERVISION

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

Ted O'Donoghue

EDUCATIONAL BACKGROUND & BUSINESS EXPERIENCE

Year of Birth: 1976

Education

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

Business Experience

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

Professional Licenses/Designations

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

DISCIPLINARY INFORMATION

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

OTHER BUSINESS ACTIVITIES

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

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

ADDITIONAL COMPENSATION

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

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

SUPERVISION

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