



## Capital Directions

### Customer Relationship Summary Introduction

Capital Directions, LLC is registered with the Securities and Exchange Commission (“SEC”) as an Investment Adviser. Investment advisory, brokerage and custodial services and fees differ and it is important for you to understand the differences. Free and simple tools are available to help you research advisory firms and financial professionals at [Investor.gov/CRS](http://Investor.gov/CRS), which also provides educational materials about investment advisers and investing.

### Relationships and Services

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

We provide retail investors fee-only financial planning and wealth management services as follows.

- **Wealth Management** – We assist in formulating your financial goals and developing an investment strategy based on your investment goals, risk tolerance and long-term investment horizon and regularly monitor your investment portfolio. For smaller accounts we offer an online program through Schwab Intelligent Portfolios.
- Advisory clients typically authorize Capital Directions to buy, sell and rebalance investments in your account based on investment strategies you select (known as “*discretionary*” investment advisory services.) We typically contact advisory clients by phone and by e-mail at a minimum at least annually.
- We developed our investment strategies based on academic research, primarily Modern Portfolio Theory, the process of reducing risk in a portfolio through systematic diversification across asset classes and within particular asset classes. We adhere to the passive, factor-based style of investing and recommend indexed and factor-based investment funds in our asset allocation strategies. We may also recommend a ladder of individual bonds, depending upon the client’s existing portfolio and investment objectives. We generally do not recommend individual stocks.
- Although we do not have a minimum account to establish an advisory relationship, our minimum annual advisory fee is \$10,000.

For additional information, please see our [Form ADV, Part 2A](#) brochure, specifically Items 4 and 7.

#### Conversation Starters: Ask us the following questions –

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

### Fees, Costs, Conflicts, and Standard of Conduct

#### What fees will I pay?

- If you engage us to provide investment advisory services to your account, we will charge your account an annual, asset-based fee. We will deduct this fee from your account at or around the end of each calendar quarter. Because we charge an asset-based fee, the greater the value of your account, the more you will pay in management fees. We therefore have an incentive to encourage you to increase the amount of assets in your account.
- Investment companies (e.g., mutual funds and ETFs) in which your assets are invested charge their own management fees and other expenses.
- We recommend independent broker-dealers, including Charles Schwab & Co., Inc., Fidelity Brokerage Services, LLC and TD Ameritrade to serve as custodian of clients’ assets and to execute trades in clients’ accounts. The brokers that we recommend charge their own transaction fees for buying and selling securities in your account, and also may charge for custodial services or account maintenance. We receive access to automated investment programs, research and compliance materials and an electronic order entry system offered by these broker-dealers to institutional advisors.
- You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you will pay. For more information, please see [Form ADV, Part 2A](#) brochure, Item 5- Fees and Item 12 – Conflicts of Interest.

**Conversation Starters:** Ask us the following questions –

- ✓ Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

*What are your legal obligations to me when acting as my investment adviser?  
How else does your firm make money and what conflicts of interest do you have?*

- When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.
- When we act as your investment adviser, we seek to act as a fiduciary by acting in good faith and by providing you with full and fair disclosure of any material conflict of interest.
- The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if there are no transactions in your account during the quarter.

**For additional information**, please see our [Form ADV, Part 2A](#) brochure, specifically Items 4, 7 and 12.

**Conversation Starters:** Ask us the following questions –

- ✓ How might your conflicts of interest affect me, and how will you address them?

### **How do your financial professionals make money?**

- Our financial professionals are compensated through their salaries and bonuses paid by Capital Directions, and our equity owners also receive profits distributions based on the firm's overall performance.
- Our interests can conflict with your interests. We must tell you about them in a way you can understand, so that you can decide whether or not you to agree to them.
- Capital Directions' financial professionals do not receive brokerage commissions, 12b-1 or shareholder servicing fees or other compensation from third party investment firms.

### **Disciplinary History**

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

- Capital Directions and its financial professionals do not have any legal or disciplinary events.
- Visit [Investor.gov/CRS](http://Investor.gov/CRS) for a free and simple search tool to research our financial professionals.

**Conversation Starters:** Ask us the following questions –

- ✓ As a financial professional, do you have any disciplinary history? For what type of conduct?

### **Additional Information**

- For additional information on our investment advisory services and to request a copy of the relationship summary, go to IAPD at [adviserinfo.sec.gov](http://adviserinfo.sec.gov) or to our website [www.capdir.com](http://www.capdir.com).
- You can call us at (404)237-8881 to request up-to-date information and request a copy of the relationship summary.

**Conversation Starters:** Ask us the following questions –

- ✓ Who is my primary contact person? Is he or she a representative of an investment advisor or a broker-dealer?
- ✓ Who can I talk to if I have concerns about how this person is treating me?