

Capital Cities, L.L.C.
August 2021
FORM CRS

Capital Cities, L.L.C. is registered with the Securities and Exchange Commission as an investment adviser and, as such, we provide advisory services rather than brokerage services. Brokerage and investment advisory services and fees differ and it is important for you, our client, to understand the differences. Additionally, free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing. This document is a summary of the services and fees we offer to "retail" investors, which are natural persons who seek or receive services primarily for personal, family, or household purposes.

What investment services and advice can you provide me?

We offer Consulting and Management Services to retail investors. Detailed information regarding our services, fees and other disclosures can be found in our [Form ADV Part 2A Items 4, 7, and 8](#).

Account Monitoring: As part of our standard service we will monitor your investments periodically throughout the quarter.

Investment Authority: Subject to any written guidelines provided by the client, we will be granted discretion and authority to perform various functions, at the client's expense, without further approval from the client. Such functions include determining the securities and amount of securities to be purchased/sold for the purposes of periodically re-balancing the portfolio as changes in market conditions and client circumstances may require. In some cases, we may be granted discretionary authority to hire and fire managers and reallocate the client's assets to other funds, where such action is deemed to be in the best interest of the client. Additionally, we may enter into non-discretionary arrangements with clients, where we will obtain client approval prior to the execution of any trade.

Investment Offerings: We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, and interest in partnerships investing in real estate, and oil and gas interests. We may advise you on other types of investments (i.e. hedge funds, other funds recommended by various fund managers, etc.) deemed appropriate based on your stated goals and objectives.

Account Minimums and Requirements: In general, we require you to have in access of \$5,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size.

Key Questions to Ask Your Financial Professional

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

What fees will I pay?

The following summarizes the principal fees and costs associated with engaging our firm for investment advisory services. For detailed information, refer to our [Form ADV Part 2A, Items 5 and 6](#).

- **Asset Based Fees** - Payable either quarterly in advance or in arrears. Since the fees we receive are asset-based (i.e. based on the value of your account), we have an incentive to increase your account value which creates a conflict especially for those accounts holding illiquid or hard-to-value assets;
- Other common fees and costs applicable to our clients are: custodian fees; account maintenance fees; fees related to mutual funds and exchange-traded funds; transaction charges when purchasing or selling securities; and other product-level fees associated with your investments

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Key Questions to Ask Your Financial Professional

- **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.

- We are affiliated with Capital Cities Investments through common control and ownership. We will recommend that you use the services of Capital Cities Investments if appropriate and suitable for your needs. Our advisory services are separate and distinct from the fees paid to Capital Cities Investments for their services.
- Because our revenue is derived from asset-based fees, we have an incentive to grow your account as much as possible. This could cause us to take overly aggressive positions in conflict with your interests in an attempt to grow your account, or could incentivize us to inflate the valuations of illiquid investments held in your account.

Refer to our [Form ADV Part 2A](#) to help you understand what conflicts exist.

Key Questions to Ask Your Financial Professional

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

How do your financial professionals make money?

The financial professionals servicing your account(s) are compensated in the following ways: Salary and bonus based on job performance and firms overall success. Additionally, firm owners receive distributions based on the firms profitability.

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

Yes, our firm or our financial professionals currently have legal or disciplinary history to disclose. These events are disclosed in either our Form ADV or the specific individual's Form U4. These documents can be found by going to Investor.gov/CRS.

Key Questions to Ask Your Financial Professional

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

You can find additional information about your investment advisory services and request a copy of the relationship summary at 317-475-4500 or click the link provided for [Form ADV](#).

Key Questions to Ask Your Financial Professional

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