



Form ADV Part 3- Client Relationship Summary

8/11/20

Item 1: Introduction

Cape Investment Advisory, Inc (CIA) is an investment adviser registered with the Securities and Exchange Commission offering advisory accounts and services. This document gives you a summary of the types of services and fees we offer. Please visit www.investor.gov/CRS for free, simple tools to research firms and for educational materials about broker-dealers, investment advisers, and investing.

Item 2: Relationships and Services

Questions to ask us: 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 investment services and advice can you provide me? CIA offers and provides a combination of the following advisory services for individuals, businesses, qualified retirement plans, individual retirement accounts, trusts and other entities on based on assets: Discretionary Investment Management (customized investment strategy) • Nondiscretionary investment management (investment strategy that is executed at clients direction) • Financial planning services (we assess your financial situation and provide advice to meet your goals • Retirement plan advisory services • 401(k) Enrollment counseling. Our firm has discretionary management without any material limitations. We limit the types of investments that are recommended since not every type of investment vehicle is needed to create an appropriate portfolio. Our firm does not have a minimum account size. Please also see our Form ADV Part 2A (“Brochure”), specifically Items 4.

Item 3: Fees, Costs, Conflicts and Standard of Conduct

Questions to ask us: 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? How might your conflicts of interest affect me, and how will you address them?

What fees will I pay? Our fees vary depending on the services you receive. Additionally, the amount of assets in your account affects our advisory fee; the more assets you have in your advisory account, the more you will pay us and thus we have an incentive to increase those assets in order to increase our fee. Our fixed fee arrangements are based on the amount of work we expect to perform for you, so material changes in that amount of work will affect the advisory fee we quote you. Portfolio management fees are typically charged quarterly or monthly in arrears. Although some client may choose to pay quarterly in advance. CIA fees are due even if you do not have any transactions. The advisory fee paid to us generally does not vary based on the type of investments selected. Please also see Items 4, 5, 6, 7 & 8 of our

Brochure. Third Party Costs: Some investments (e.g., mutual funds, variable annuities, etc.) impose additional fees (e.g., transactional fees and product-level fees) that reduce the value of your investment over time. You will also pay fees to a custodian that will hold your assets. For the wrap fee program, you will not typically pay additional transaction fees and thus our advisory fee is higher than if you paid transaction fees separately. 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. Please also see our Brochure for additional details.

Conflicts of Interest: When we act as your investment adviser, we must 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.

How do your financial professionals make money? Primarily, we and our financial professionals benefit from the advisory services we provide to you because of the advisory fees we receive from you. This compensation may vary based on different factors, such as those listed above in this Item. CIA has two affiliated broker dealers: American Global Wealth Management (AGW) and Cape Securities, Inc (Cape). Some CIA representatives are also representatives of AGW and/or Cape. When providing services for the AGW or Cape, representatives receive transaction-based fees as opposed to an asset-based fees received for services offered through CIA. Our financial professionals also have the ability to receive commissions when clients purchase insurance products purchased through our firm (life, disability, long-term care, and property and casualty). Such commissions are paid by insurance carriers, not by the client. We receive no additional incentives from insurance carriers by recommending to clients one insurance carrier over another. Please also see Item 10 of our Brochure for additional details.

Item 4: Disciplinary History

Questions to ask us: As a financial professional, do you have any disciplinary history? For what type of conduct?

Do you or your financial professionals have legal or disciplinary history? While CIA does not have any legal or disciplinary events, some of the firm's financial professionals have disclosable legal or disciplinary matters. Visit <https://www.investor.gov/> for a free, simple search tool to research us and our financial professionals.

Item 5: Additional Information

Questions to ask us: 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?

For additional information on our advisory services, see our *Brochure* available at <https://adviserinfo.sec.gov/firm/brochure/146384> and any individual brochure supplement your representative provides. If you have any questions, need additional up-to-date, or want another copy of this Client Relationship Summary, then please contact us at 678-583-1120.