

Form ADV Part 3: Relationship Summary North Capital Inc.

Introduction

North Capital Inc. (d/b/a North Capital Investment Management, Compass Family Offices, Compassvest, and evisor.com) is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services, including financial planning, non-discretionary advisory services, and discretionary investment management. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

What Investment Services and Advice Can You Provide Me?

Description of Services: We offer the following investment advisory services to retail investors. For more information about our services, please see **Item 4** of our **Form ADV Part 2A**.

Financial Planning Services involve us creating a financial plan for you which covers mutually agreed upon topics. Non-Discretionary Investment Advisory Services involve us providing investment research and recommendations about publicly traded securities, groups of securities, investment strategies, or account types; valuation, investment selection, due diligence, management, and hedging of illiquid assets (including investments in private companies, real estate, and private funds); endowment formation and management; strategic liability advice and management, and retirement plan formation. In the case of financial planning and other non-discretionary advisory services, whether or not there is ongoing monitoring and advice related to your portfolio, we will not have any responsibility for the implementation of advice, and we generally do not provide detailed or specific investment recommendations. You will have sole responsibility for the ultimate decision and action regarding the purchase or sale of investments.

Investment Management Services means us managing and trading your designated account(s). We will discuss your investment objectives and constraints and design an implementation plan to try to achieve your investment goals. We will continuously monitor your account when providing investment management services, provide monthly portfolio reports, and contact you at least annually to discuss your portfolio. Investment management services are provided on a **discretionary** basis, which means we will have the authority to determine the type and amount of securities to be bought or sold in your account. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**. In addition to providing these services directly to our clients, we also provide these services to clients of outside investment adviser firms whereby we act as a Co-Advisor or Sub-Advisor to the client.

Limited Investment Offerings: We do not primarily recommend one type of security to clients. We recommend investment portfolios designed to be suitable for each client's specific needs, goals, and circumstances. However, we are limited in investment selection in that we can only invest your account in securities that are available on your custodian/broker-dealer's platform. In discretionary accounts we only recommend public securities. In addition, we utilize risk-based model portfolios that are designed to achieve particular investment goals. Most of our clients' discretionary portfolios are invested using these models as a foundation. We will make recommendations and provide advice on our proprietary investment products. See **Item 4** and **Item 8** of **Form ADV Part 2A** for more information.

Account & Fee Minimums: There are no minimum investment amounts or conditions required for establishing an account managed by us.

Conversation Starters: *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?

Description of Principal Fees & Costs: Fees for our investment management services are charged based on a percentage of assets under management, billed in arrears on a quarterly basis, and calculated on the average value of your account during the current billing period. We do not charge more than 1.25% annually for investment management. The fee you will be charged is agreed upon in advance and detailed to you in writing. Because our fee is based upon the value of your account(s) we have an incentive to recommend that you increase the nominal value of assets in your account(s) that we manage. When engaging us for investment management services, you will also incur other fees and expenses paid to others. The broker-dealer/custodian on your account will charge you transaction fees for executing trades in your account, except in the case of NTF ("No Transaction Fee") funds or other

securities that are offered free of commission. The broker-dealer/custodian makes revenue in other ways, such as distribution fees paid by fund sponsors and payment for order flow on listed securities. You will also be charged internal management fees and expenses by the funds we invest in within your account. We do not receive any portion of these third party fees and expenses.

Financial planning and consulting services are provided under an hourly fee arrangement which ranges between \$150 and \$750 per hour depending on the individual(s) providing the service. We charge fixed fees between \$1,200 and \$2,500 for initial financial reviews. All fees are due upon completion of the plan or consultative services. Any fees we charge for financial planning and consulting services do not cover the cost of implementation associated with any recommendations we may make.

Additional Information: 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. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, please see **Item 5 of Form ADV Part 2A**.

Conversation Starters: *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?

Standard of Conduct: When we act as your investment adviser, we have to act in your best interest and not put our interests 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 three examples to help you understand what this means. (1) We operate an open-end, registered mutual fund through North Capital Funds Trust. We are paid management fees from this investment offering. Recommending that you invest in this fund creates a conflict of interest due to the potential for additional revenue and our interest to increase the value of investments in the fund. (2) We actively manage our own personal accounts while at the same time managing your accounts and other client accounts. This creates different conflicts of interest for which we have developed procedures to mitigate and control for those conflicts. (3) North Capital Private Securities Corporation (NCPS) is an affiliated broker-dealer of North Capital. NCPS is prohibited, as a matter of company policy, from soliciting or transacting with discretionary or supervisory clients of North Capital Inc. As a result, the potential for real or apparent conflicts of interest is limited, but you will not be offered certain investment opportunities due to our conflict mitigation procedures.

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

Additional Information: For more information about our conflicts of interests and the ways we are compensated, please see **Item 4, Item 5, Item 10, and Item 11** of our **Form ADV Part 2A**.

How Do Your Financial Professionals Make Money?

Description of Compensation of IARs: Investment adviser representatives receive a flat salary and are eligible to receive bonuses and stock options in our parent company based on the profitability of their individual advisory business and the overall performance of the firm. Our bonus and stock options structure creates a conflict of interest as it gives your adviser representative an incentive to recommend that you invest more in your account(s) with us.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

Yes. While the firm does not have a legal or disciplinary history, certain investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

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

Additional Information About North Capital

Additional information about us and copies of our Form ADV Part 2A disclosure brochure and this relationship summary are available online at <http://www.northcapital.com>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/148802>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by email at info@northcapital.com or phone at (888) 625 7768.

Conversation Starters: *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?*