

DAVIDSON CAPITAL

Informational Brochure

Revised March 31, 2011

This Brochure provides information about the qualifications and business practices of Davidson Capital Corporation [“Davidson Capital”]. If you have any questions about the contents of this Brochure, please contact us at 704-987-0288 or sdyl@davidsoncapitalcorp.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Davidson Capital is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provides you with information about which you determine to hire or retain an Adviser.

Additional information about Davidson Capital is also available on the SEC’s website at www.adviserinfo.sec.gov.

Davidson Capital

715 Peninsula Drive

Davidson, NC 28036

704-987-0288

www.davidsoncapitalcorp.com

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Stan Dyl at 704-987-0288 Ext. 201 or sdyl@davidsoncapitalcorp.com. Our Brochure is also available on our web site www.davidsoncapitalcorp.com, also free of charge.

Additional information about Davidson Capital is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Davidson Capital who are registered, or are required to be registered, as investment adviser representatives of Davidson Capital.

Item 3 –Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes.....	i
Item 3 –Table of Contents	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	1
Item 6 – Performance-Based Fees and Side-By-Side Management.....	3
Item 7 – Types of Clients	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	3
Item 9 – Disciplinary Information.....	3
Item 10 – Other Financial Industry Activities and Affiliations.....	3
Item 11 – Code of Ethics	4
Item 12 – Brokerage Practices	5
Item 13 – Review of Accounts	6
Item 14 – Client Referrals and Other Compensation.....	6
Item 15 – Custody.....	6
Item 16 – Investment Discretion.....	6
Item 17 – Voting Client Securities	6
Item 18 – Financial Information.....	7
Brochure Supplement(s)	

Item 4 – Advisory Business

Davidson Capital primarily provides its clients (individuals, business entities, trusts, corporate retirement plans, estates and charitable organizations, etc.) with discretionary investment advisory services. In addition, Davidson Capital provides consulting services to “participant directed” defined contribution retirement plans including 401(k) and 403(b) plans. We assist plan sponsors in comparing plans and expenses, selecting and monitoring investment options and providing employee education.

To the extent specifically requested by a client, Davidson Capital may provide limited consultation services to its investment management clients on investment and non-investment related matters that are generally ancillary to the investment management process. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which Davidson Capital shall generally not receive any separate or additional fee.

Davidson Capital tailors its investment advisory services to the needs of individual clients. In designing a client’s investment portfolio we consider your individual circumstances including your investment objectives, risk tolerance, withdrawal needs and tax situation. Davidson Capital primarily allocates investment management assets among various mutual funds and/or exchange traded funds on a discretionary basis in accordance with each client's designated investment objective(s). Clients may place reasonable restrictions on investments. Any such investment guidelines and restrictions must be provided to Davidson Capital in writing.

In performing its services, Davidson Capital shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, Davidson Capital may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Davidson Capital. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Davidson Capital if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Davidson Capital's previous recommendations and/or services.

Davidson Capital was incorporated in 1996 and is 100% owned by Stanley Dyl. As of March 31, 2011, we manage \$121 million of assets on a discretionary basis.

Item 5 – Fees and Compensation

Investment Management

Clients can determine to engage Davidson Capital to provide discretionary investment advisory services on a *fee-only* basis. Davidson Capital's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under Davidson Capital's management as follows:

Portfolio Size	Annual Fee
First \$1,000,000	1.00%
Next \$1,500,000	0.75%
Amount over \$2,500,000	0.50%

Davidson Capital's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Davidson Capital generally requires a minimum quarterly fee of \$1,250.00 for investment advisory services. However, Davidson Capital, in its sole discretion, may reduce its minimum fee and/or charge a lesser investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Both Davidson Capital's *Investment Advisory Agreement* and the custodial/clearing agreement may authorize the custodian to debit the account for the amount of Davidson Capital's investment advisory fee and to directly remit that management fee to Davidson Capital in compliance with regulatory procedures. In the limited event that Davidson Capital bills the client directly, payment is due upon receipt of Davidson Capital's invoice. The *Investment Advisory Agreement* between Davidson Capital and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Davidson Capital shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

Unless the client directs otherwise or an individual client's circumstances require, Davidson Capital shall generally recommend that *TD Ameritrade* serve as the broker-dealer/custodian for client investment management assets. Davidson Capital's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Broker-dealers generally charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Davidson Capital's fee, and Davidson Capital shall not receive any portion of these commissions, fees, and costs. Item 12 further describes the factors that Davidson Capital considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (e.g. commissions).

Defined Contribution Retirement Plans

For consulting services to participant directed defined contribution retirement plans, Davidson Capital's annual investment advisory fee shall be based upon a percentage (%) of the market value of the assets placed under Davidson Capital's management as follows:

Portfolio Size	Annual Fee
First \$2,000,000	1.00%
Next \$3,000,000	0.75%
Next \$5,000,000	0.50%
Amount over \$10,000,000	0.30%

Davidson Capital's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the previous quarter. Davidson Capital, in its sole discretion, may reduce its annual fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 6 – Performance-Based Fees and Side-By-Side Management

Davidson Capital does not charge any performance-based fees (fees based on a share of capital gains or on capital appreciation of the assets of a client).

Item 7 – Types of Clients

Davidson Capital provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts. In addition, Davidson Capital provides consulting services to participant directed defined contribution retirement plans including 401(k) and 403(b) plans.

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

Davidson Capital's method of security analysis may include fundamental analysis as well as a review of general market and financial conditions. Our research sources include commercial research services, financial newspapers and periodicals, and research provided by mutual fund companies.

Based on each client's current financial situation, investment objectives, risk tolerance and time horizon, Davidson Capital will develop an appropriate asset allocation. All portfolios are diversified among different asset classes. We design long-term portfolios that incorporate the principles of Modern Portfolio Theory. Our investment approach is rooted in the belief that markets are relatively efficient and that investor returns are determined principally by asset allocation decisions. We build our portfolio utilizing no-load mutual funds and exchange traded funds.

We take a long-term approach and avoid frequent trading. We will generally hold investments for at least one year though circumstances (e.g. tax considerations, cash needs, etc.) may sometimes dictate that an investment be sold within one year. We do not typically buy investments on margin but we can establish a margin account at the request of a client.

Our methods of analysis and investment strategies do not present any significant or unusual risks. However, investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Davidson Capital or the integrity of Davidson Capital's management. This item is not applicable to Davidson Capital.

Item 10 – Other Financial Industry Activities and Affiliations

Davidson Capital's Principal, Stanley P. Dyl, is also the Principal of Davidson Capital Management ("DCM"). The business of DCM is not investment-related and is separate and apart from that of the Davidson Capital.

DCM provides its clients with tax preparation and administrative support services. No client of the Davidson Capital is under any obligation to engage the services of DCM.

Item 11 – Code of Ethics

Davidson Capital has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Davidson Capital must acknowledge the terms of the Code of Ethics annually, or as amended.

Davidson Capital anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Davidson Capital has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Davidson Capital, its affiliates and/or clients, directly or indirectly, have a position of interest. Davidson Capital's employees and persons associated with Davidson Capital are required to follow Davidson Capital's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Davidson Capital and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Davidson Capital's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Davidson Capital will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Davidson Capital's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Davidson Capital and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Davidson Capital's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Davidson Capital will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is Davidson Capital's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Davidson Capital will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client.

Davidson Capital's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Stanley Dyl.

Item 12 – Brokerage Practices

In the event that the client requests that Davidson Capital recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Davidson Capital to use a specific broker-dealer/custodian), Davidson Capital generally recommends that investment management accounts be maintained at TD Ameritrade Institutional Services. (“TD Ameritrade”). Prior to engaging Davidson Capital to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Davidson Capital setting forth the terms and conditions under which Davidson Capital shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Davidson Capital considers in recommending TD Ameritrade (or any other broker-dealer/custodian to clients) include historical relationship with Davidson Capital, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Davidson Capital's clients shall comply with Davidson Capital's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Davidson Capital determines, in good faith, that the commission and/or transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Davidson Capital will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Davidson Capital's investment management fee. Davidson Capital's best execution responsibility is qualified if securities that it purchases for client accounts are no-load mutual funds that trade at net asset value as determined at the daily market close.

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Davidson Capital may receive from TD Ameritrade (or a mutual fund company), without cost (and/or at a discount) support services and/or products, certain of which assist Davidson Capital to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Davidson Capital may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Davidson Capital in furtherance of its investment advisory business operations. As indicated above, certain of the support services and/or products that may be received may assist Davidson Capital in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Davidson Capital to manage and further develop its business enterprise.

Davidson Capital's clients do not pay more for investment transactions effected and/or assets maintained at TD Ameritrade as result of this arrangement. There is no corresponding commitment made by Davidson Capital to TD Ameritrade or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

Item 13 – Review of Accounts

For those clients to whom Davidson Capital provides investment supervisory services, account reviews are conducted on an ongoing basis by the Davidson Capital's Principal, Stanley P. Dyl and/or Davidson Capital's Associated Persons. All investment supervisory clients are advised that it remains their responsibility to advise Davidson Capital of any changes in their investment objectives and/or financial situation. All clients are encouraged to comprehensively review investment objectives and account performance with Davidson Capital on an annual basis.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Those clients to whom Davidson Capital provides investment supervisory services shall also receive a periodic report from the Davidson Capital summarizing account holdings.

Item 14 – Client Referrals and Other Compensation

Davidson Capital does not compensate any person for client referrals.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Davidson Capital urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Davidson Capital usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Davidson Capital observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Davidson Capital's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Davidson Capital in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Davidson Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any

and all securities maintained in client portfolios. Davidson Capital may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Davidson Capital's financial condition. Davidson Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.