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This brochure provides information about the qualifications and business practices of Montgomery Capital Management, LLC ("MCM"). If you have any questions about the contents of this brochure, please contact us at (757) 597-9525, (804) 855-2500 or info@montgomerycap.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state authority.

Additional information about MCM also is available on the SEC's website at www.AdviserInfo.sec.gov.

Table of Contents	March 30, 2011 Brochure	Page
Advisory Business		2
Fees and Compensation		3
Performance-Based Fees and Side-By-Side Management		3
Types of Clients		3
Methods of Analysis, Investment Strategies and Risk of Loss		4
Disciplinary Information		6
Other Financial Industry Activities and Affiliations		6
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....		7
Brokerage Practices.....		7
Review of Accounts.....		9
Client Referrals and Other Compensation.....		10
Custody		10
Investment Discretion		10
Voting Client Securities		10
Financial Information		10

Advisory Business

General Information

Montgomery Capital Management, LLC was formed in 2003 and provides portfolio management services to its clients. At the outset of each client relationship, MCM spends time with the client, asking questions, discussing the client's investment experience and financial circumstances, and reviewing options for the client. Based on its reviews, MCM generally develops with each client:

- a financial outline for the client based on the client's financial circumstances and goals, and the client's risk tolerance level (the "Financial Profile"); and
- the client's investment objectives and guidelines (the "Investment Plan").

The Financial Profile is a reflection of the client's current financial picture and a look to the future goals of the client. The Investment Plan outlines the types of investments MCM will make on behalf of the client in order to meet those goals. The Profile and the Plan are discussed regularly with each client, but are not necessarily written documents.

Portfolio Management

As described above, at the beginning of a client relationship, MCM meets with the client, gathers information and performs research and analysis as necessary to develop the client's Investment Plan. The Investment Plan will be updated from time to time when requested by the client, or when determined to be necessary or advisable by MCM based on updates to the client's financial or other circumstances.

To implement the client's Investment Plan, MCM will manage the client's investment portfolio on a discretionary basis or a non-discretionary basis. As a discretionary investment adviser, MCM will have the authority to supervise and direct the portfolio without prior consultation with the client. Clients who choose a non-discretionary arrangement must be contacted prior to the execution of any trade in the account(s) under management. This may result in a delay in executing recommended trades, which could adversely affect the performance of the portfolio. This delay also normally means the affected account(s) will not be able to participate in block trades, a practice designed to enhance the execution quality, timing and/or cost for all accounts included in the block. In a non-discretionary arrangement, the client retains the responsibility for the final decision on all actions taken with respect to the portfolio.

Notwithstanding the foregoing, clients may impose certain written restrictions on MCM in the management of their investment portfolios, such as prohibiting the inclusion of certain types of investments (e.g., "sin stocks") in an investment portfolio or prohibiting the sale of certain investments held in the account at the commencement of the relationship. Each client should note, however, that restrictions imposed by a client may adversely affect the composition and performance of the client's investment portfolios. Each client should also note that his or her investment portfolio is treated individually by giving consideration to each purchase or sale for the client's account. For these and other reasons, performance of client investment portfolios within the same investment objectives, goals and/or risk tolerance may differ and clients should not expect that the composition or performance of their investment portfolios would necessarily be consistent with similar clients of MCM.

Principal Owners

Paul M. Montgomery is the sole principal owner of MCM. Please see "***Brochure Supplement(s)***", Appendix A, for more information on Mr. Montgomery and other individuals who formulate

investment advice and have direct contact with clients, or have discretionary authority over client accounts.

Type and Value of Assets Currently Managed

As of March 15, 2011, MCM managed \$58,928,679 on a discretionary basis, and \$1,573,388 of assets on a non-discretionary basis.

Fees and Compensation

General Fee Information

Fees paid to MCM are exclusive of all custodial and transaction costs paid to the client's custodian, brokers or other third party consultants. Fees paid to MCM are also separate and distinct from the fees and expenses charged by mutual funds, ETFs (exchange traded funds) or other investment pools to their shareholders (generally including a management fee and fund expenses, as described in each fund's prospectus or offering materials). The client should review all fees charged by funds, brokers, MCM and others to fully understand the total amount of fees paid by the client for investment and financial-related services.

Portfolio Management Fees

The annual fee schedule, based on a percentage of assets under management, is as follows:

First \$1,000,000	1.50%
Balance above \$1,000,000	1.00%

The minimum portfolio value is generally set at \$100,000. Minimum annual fees may apply. MCM may, at its discretion, make exceptions to the foregoing or negotiate special fee arrangements where MCM deems it appropriate under the circumstances.

Portfolio management fees are generally payable quarterly, in arrears. Fees are prorated for cash flows during the quarter. If management begins after the start of a quarter, fees will be prorated accordingly. Fees are normally debited directly from client account(s), unless other arrangements are made.

Either MCM or the client may terminate their Investment Management Agreement at any time, subject to any written notice requirements in the agreement. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to MCM from the client will be invoiced or deducted from the client's account prior to termination.

Performance-Based Fees and Side-By-Side Management

MCM does not have any performance-based fee arrangements.

Types of Clients

MCM serves individuals, pension and profit-sharing plans, corporations, trusts, estates, other pooled investment vehicles and charitable organizations. With some exceptions, the minimum portfolio value eligible for conventional investment advisory services is \$100,000. Minimum annual fees may apply. Under certain circumstances and in its sole discretion, MCM may negotiate such minimums.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

In accordance with the Investment Plan, MCM will invest client accounts primarily in mutual funds. ETF's (exchange traded funds) are also used, as well as other types of investments, such as ETN's (exchange traded notes), but to a lesser degree.

MCM believes that market behavior is a sub-category of human behavior. Therefore, in assessing market conditions and investment opportunities, MCM goes beyond mere economic analysis, and instead considers all analytic protocols, including without limitation, economic, fundamental, technical, monetary, cyclic, and especially psychological--unconventional as well as conventional.

Mutual funds and ETFs are generally evaluated and selected based on a variety of factors, including, without limitation, past performance, fee structure, portfolio manager, fund sponsor, overall ratings for safety and returns, and other factors. MCM uses this analysis to develop and maintain investment Models, each of which may be appropriate alone or in combination for a given client.

Fixed income investments may be used as a strategic investment, as an instrument to fulfill liquidity or income needs in a portfolio, or to add a component of capital preservation. MCM may evaluate and select individual bonds or bond funds based on a number of factors including, without limitation, rating, yield and duration.

Investment Strategies

MCM's strategic approach is to invest each portfolio in accordance with the Plan that has been developed specifically for each client. MCM offers two distinct investment strategies:

The **Good Shepherd Approach** is an actively managed, diversified investment program which attempts to generate positive absolute returns, with below average risk, in virtually any market environment. In pursuit of these objectives, this approach necessarily avoids a buy-and-hold approach and a pre-determined asset mix, both common within the industry, and instead continually repositions client assets among those areas of the capital markets that are perceived to be most attractive in light of contemporaneous conditions--whatever and wherever they may be. This is a highly flexible, "top down" or "macro" approach. General market stock, bond and money market mutual funds are utilized, but special situation funds and individual securities, in both this country and abroad, also will be used. For example, Stocks, Bonds, Notes, Real Estate, and/or Cash equivalents will be alternately emphasized, or totally avoided, as changing market conditions dictate. Since the Good Shepherd program is managed primarily with an eye towards controlling risk, and only secondarily to maximizing return, we generally take an unleveraged, diversified approach, and any specialized holdings typically will be kept to a minority position. This program is most appropriate to clients who want the higher total returns characteristic of the stock and bond markets, but want to try to avoid the severe, prolonged sinking spells which the capital markets periodically experience. Because it follows an actively managed as opposed to a long term hold approach, the Good Shepherd style is not optimally tax efficient.

Acrobat Approach

This is a very actively managed program which attempts to generate positive absolute returns in virtually any market environment. While we take risk management seriously, this is an aggressive approach which will invest in any area that appears to offer the opportunity for high returns at the time. This will include general market funds, but it also will include individual securities and specialized sector funds such as Gold, Internet, Japan, Biotech funds, among others. We also may

occasionally use mutual funds that hold derivatives, leveraged positions, and/or short positions. (However, owning a mutual fund with a short position is significantly different from, and much safer than, "selling short", which we never do in these programs). Such specialized funds typically are volatile, and therefore necessarily entail meaningful risk. However, we attempt to manage this risk by investing in such areas only briefly; by investing therein only when perceived risk is relatively low and the perceived return relatively high; and by restricting the size of any such positions. This program is appropriate to clients who want maximum flexibility, and who are willing to invest in virtually any market that offers the promise of positive returns, but who also wish to try to avoid the severe, prolonged sinking spells that these various markets periodically experience. The Acrobat approach is different from Good Shepherd primarily in that in the former, perceived *return* takes precedence over perceived risk, whereas in the latter, *risk management* is emphasized over return maximization. Since holding periods are likely to be relatively short, the Acrobat approach is not optimally tax efficient.

In managing client accounts, the following trading strategies may be used in varying combinations over time for a given client, depending upon the client's individual circumstances.

Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.

Short Sales – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

Trading – generally considered holding a security for less than thirty (30) days.

Risk of Loss

While MCM seeks to diversify clients' investment portfolios across various asset classes consistent with their Investment Plans in an effort to reduce risk of loss, all investment portfolios are subject to risks. Accordingly, there can be no assurance that client investment portfolios will be able to fully meet their investment objectives and goals, or that investments will not lose money.

Below is a description of several of the principal risks that client investment portfolios face.

Management Risks. While MCM manages client investment portfolios based on MCM's experience, research and proprietary methods, the value of client investment portfolios will change daily based on the performance of the underlying mutual funds and other securities in which they are invested. Accordingly, client investment portfolios are subject to the risk that MCM allocates assets to asset classes that are adversely affected by unanticipated market movements, and the risk that MCM's specific investment choices could underperform their relevant indexes.

Risks of Investments in Mutual Funds, ETFs and Other Investment Pools. As described above, MCM will generally invest client portfolios in mutual funds, ETFs and other investment pools (“pooled investment funds”). Investments in pooled investment funds are generally less risky than investing in individual securities because of their diversified portfolios; however, these investments are still subject to risks associated with the markets in which they invest. In addition, pooled investment funds’ success will be related to the skills of their particular managers and their performance in managing their funds. Pooled investment funds are also subject to risks due to regulatory restrictions applicable to registered investment companies under the Investment Company Act of 1940.

Equity Market Risks. MCM will usually invest portions of client assets directly into equity investments, primarily stocks, or into pooled investment funds that invest in the stock market. As noted above, while pooled investments have diversified portfolios that may make them less risky than investments in individual securities, funds that invest in stocks and other equity securities are nevertheless subject to the risks of the stock market. These risks include, without limitation, the risks that stock values will decline due to daily fluctuations in the markets, and that stock values will decline over longer periods (e.g., bear markets) due to general market declines in the stock prices for all companies, regardless of any individual security’s prospects.

Fixed Income Risks. MCM may invest portions of client assets directly into fixed income instruments, such as bonds and notes, or may invest in pooled investment funds that invest in bonds and notes. While investing in fixed income instruments, either directly or through pooled investment funds, is generally less volatile than investing in stock (equity) markets, fixed income investments nevertheless are subject to risks. These risks include, without limitation, interest rate risks (risks that changes in interest rates will devalue the investments), credit risks (risks of default by borrowers), or maturity risk (risks that bonds or notes will change value from the time of issuance to maturity).

Foreign Securities Risks. MCM may invest portions of client assets into pooled investment funds that invest internationally. While foreign investments are important to the diversification of client investment portfolios, they carry risks that may be different from U.S. investments. For example, foreign investments may not be subject to uniform audit, financial reporting or disclosure standards, practices or requirements comparable to those found in the U.S. Foreign investments are also subject to foreign withholding taxes and the risk of adverse changes in investment or exchange control regulations. Finally, foreign investments may involve currency risk, which is the risk that the value of the foreign security will decrease due to changes in the relative value of the U.S. dollar and the security’s underlying foreign currency.

Disciplinary Information

MCM has no disciplinary events to report.

Other Financial Industry Activities and Affiliations

MCM is affiliated with another registered investment adviser, College Funding Group, LLC. (“College Funding”). MCM and Jonathan West, Managing Director and Chief Compliance Officer of MCM, each own a controlling interest in College Funding. From time to time, MCM clients may be introduced to College Funding for the purpose of college funding advice and planning. MCM maintains a policy of full disclosure regarding the payment of all fees.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics and Personal Trading

MCM has adopted a Code of Ethics (“the Code”), the full text of which is available to you upon request. MCM’s Code has several goals. First, the Code is designed to assist MCM in complying with applicable laws and regulations governing its investment advisory business. Under the Investment Advisers Act of 1940, MCM owes fiduciary duties to its clients. Pursuant to these fiduciary duties, the Code requires MCM associated persons to act with honesty, good faith and fair dealing in working with clients. In addition, the Code prohibits associated persons from trading or otherwise acting on insider information.

Next, the Code sets forth guidelines for professional standards for MCM’s associated persons (managers, officers and employees). Under the Code’s Professional Standards, MCM expects its associated persons to put the interests of its clients first, ahead of personal interests. In this regard, MCM associated persons are not to take inappropriate advantage of their positions in relation to MCM clients.

Third, the Code sets forth policies and procedures to monitor and review the personal trading activities of associated persons. From time to time MCM’s associated persons may invest in the same securities recommended to clients. Under its Code, MCM has adopted procedures designed to reduce or eliminate conflicts of interest that this could potentially cause. The Code’s personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading and pre-clearance of certain types of personal trading activities. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. The Code also provides for disciplinary action as appropriate for violations.

Participation or Interest in Client Transactions

As outlined above, MCM has adopted procedures to protect client interests when its associated persons invest in the same securities as those selected for or recommended to clients. In the event of any identified potential trading conflicts of interest, MCM’s goal is to place client interests first.

Consistent with the foregoing, MCM maintains policies regarding participation in initial public offerings (IPOs) and private placements in order to comply with applicable laws and avoid conflicts with client transactions. If a MCM associated person wishes to participate in an IPO or invest in a private placement, he or she must submit a pre-clearance request and obtain the approval of the Chief Compliance Officer. If associated persons trade with client accounts (e.g., in a bundled or aggregated trade), and the trade is not filled in its entirety, the associated person’s shares will be removed from the block, and the balance of shares will be allocated among client accounts in accordance with MCM’s written policy.

Brokerage Practices

Best Execution and Benefits of Brokerage Selection

When given discretion to select the brokerage firm that will execute orders in client accounts, MCM seeks “best execution” for client trades, which is a combination of a number of factors, including, without limitation, quality of execution, services provided and commission rates. Therefore, MCM may use or recommend the use of brokers who do not charge the lowest available commission in the recognition of research and securities transaction services, or quality of execution. Research services received with transactions may include proprietary or third party research (or any

combination), and may be used in servicing any or all of MCM's clients. Therefore, research services received may not be used for the account for which the particular transaction was effected.

MCM participates in Schwab's Institutional ("SI") service program. While there is no direct link between the investment advice MCM provides and participation in the SI program, MCM receives certain economic benefits from the SI program. These benefits may include software and other technology that provides access to client account data (such as trade confirmations and account statements), facilitates trade execution (and allocation of aggregated orders for multiple client accounts), provides research, pricing information and other market data, facilitates the payment of MCM's fees from its clients' accounts, and assists with back-office functions, recordkeeping and client reporting. Many of these services may be used to service all or a substantial number of MCM's accounts, including accounts not held at Schwab. Schwab may also make available to MCM other services intended to help MCM manage and further develop its business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services to be rendered to MCM by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services, pay all or a part of the fees of a third-party providing these services to MCM, and/or Schwab may pay for travel expenses relating to participation in such training. Finally, participation in SI provides MCM with access to mutual funds which normally require significantly higher minimum initial investments or are normally available only to institutional investors.

The benefits received through participation in the SI program do not necessarily depend upon the proportion of transactions directed to Schwab. The benefits are received by MCM, in part because of commission revenue generated for Schwab by MCM's clients. This means that the investment activity in client accounts is beneficial to MCM, because Schwab does not assess a fee to MCM for these services. This creates an incentive for MCM to continue to recommend Schwab to its clients. While it may be possible to obtain similar custodial, execution and other services elsewhere at a lower cost, MCM believes that Schwab provides an excellent combination of these services.

Directed Brokerage

Clients may direct MCM to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements, the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or obtain less favorable execution, or the designation limits the investment options available to the client.

The arrangement that MCM has with Schwab is designed to maximize efficiency and to be cost effective. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative brokers are used. While every effort is made to treat clients fairly over time, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades for their account(s) and otherwise adversely affect management of their account(s).

By directing MCM to use a specific broker or dealer, clients who are subject to ERISA confirm and agree with MCM that they have the authority to make the direction, that there are no provisions in any client or plan document which are inconsistent with the direction, that the brokerage and other goods and services provided by the broker or dealer through the brokerage transactions are

provided solely to and for the benefit of the client's plan, plan participants and their beneficiaries, that the amount paid for the brokerage and other services have been determined by the client and the plan to be reasonable, that any expenses paid by the broker on behalf of the plan are expenses that the plan would otherwise be obligated to pay, and that the specific broker or dealer is not a party in interest of the client or the plan as defined under applicable ERISA regulations.

Aggregated Trade Policy

MCM may block trades where possible and when advantageous to clients whose accounts have a need to buy or sell shares of the same security. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rata basis between all accounts included in any such block. Block trading allows MCM to execute equity trades in a more timely, equitable manner, and may reduce overall costs to clients.

MCM will only aggregate transactions when it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients, and is consistent with the terms of MCM's investment advisory agreement with each client for which trades are being aggregated. No advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all MCM's transactions in a given security on a given business day, with transaction costs generally shared pro-rata based on each client's participation in the transaction. On occasion, owing to the size of a particular account's pro rata share of an order or other factors, the commission or transaction fee charged could be above or below a breakpoint in a pre-determined commission or fee schedule set by the executing broker, and therefore transaction charges may vary slightly among accounts. Accounts may be excluded from a block due to tax considerations, client direction or other factors making the account's participation ineligible or impractical.

MCM will prepare, before entering an aggregated order, a written statement ("Allocation Statement") specifying the participating client accounts and how it intends to allocate the order among those clients. If the aggregated order is filled in its entirety, it will be allocated among clients in accordance with the Allocation Statement. If the order is partially filled, it will generally be allocated pro-rata, based on the Allocation Statement, or randomly in certain circumstances. Notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment, and the reason for different allocation is explained in writing and is approved by an appropriate individual/officer of MCM. MCM's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by and bought and sold for that account. Funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the transaction on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement, and MCM will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation.

Review of Accounts

Managed portfolios are reviewed at least quarterly, but may be reviewed more often if requested by the client, upon receipt of information material to the management of the portfolio, or at any time such review is deemed necessary or advisable by MCM. Paul M. Montgomery, MCM's Chief Executive Officer, and Jonathan C. West, MCM's Managing Director, review all accounts.

Account custodians are responsible for providing monthly or quarterly account statements which reflect the positions (and current pricing) in each account as well as transactions in each account, including fees paid from an account. Account custodians also provide prompt confirmation of all trading activity, and year-end tax statements, such as 1099 forms. MCM will provide additional written reports as needed or requested by the client.

Client Referrals and Other Compensation

As noted above, MCM may receive some benefits from Schwab based on the amount of client assets held at Schwab. Please see ***“Brokerage Practices”*** for more information. However, neither Schwab nor any other party is paid to refer clients to MCM.

Custody

Schwab is the custodian of nearly all client accounts at MCM. From time to time however, clients may select an alternate broker to hold accounts in custody. In any case, it is the custodian's responsibility to provide clients with confirmations of trading activity, tax forms and at least quarterly account statements. Clients are advised to review this information carefully, and to notify MCM of any questions or concerns. Clients are also asked to promptly notify MCM if the custodian fails to provide statements on each account held.

From time to time and in accordance with MCM's agreement with clients, MCM will provide additional reports. The account balances reflected on these reports should be compared to the balances shown on the brokerage statements to ensure accuracy. There may at times be small differences due to the timing of dividend reporting and pending trades.

Investment Discretion

As described in the ***Advisory Business*** section, MCM will accept clients on either a discretionary or non-discretionary basis. For discretionary accounts, a Limited Power of Attorney (“LPOA”) is executed by the client, giving MCM the authority to carry out various activities in the account, generally including the following: execute trades; request checks on behalf of the client; and, deduct advisory fees directly from the account. The client generally has the ability to exclude any of the above authorizations if desired. For non-discretionary accounts, the client normally executes an LPOA; however, in accordance with the agreement between MCM and the client, MCM will not execute trades until the client has had the opportunity to approve the trades. As in the case of a discretionary arrangement, MCM's authority under the LPOA can be limited at the client's discretion.

Voting Client Securities

As a policy and in accordance with MCM's agreement, MCM does not vote proxies related to securities held in client accounts. The custodian of the account will normally provide proxy materials directly to the client. Clients may contact MCM with questions relating to proxy matters; however, MCM does not generally perform detailed research regarding proxy voting options.

Financial Information

MCM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore has no required disclosure for this item.