

Part 2 of Form ADV: Firm Brochure
OUTLOOK CAPITAL MANAGEMENT, LLC

March 31, 2011

This brochure provides information about the qualifications and business practices of Outlook Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 847-797-0600 or outlookcap@sbcglobal.net. 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.

Additional information about Outlook Capital Management, LLC, also is available on the SEC's website at www.adviserinfo.sec.gov.

Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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Material Changes

This annual update to Outlook Capital Management's ("Outlook") brochure does not include information on material changes to Outlook's policies, practices or conflicts of interest. However, the information included is provided in a new format as required by the Securities and Exchange Commission.

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Advisory Business

Outlook Capital Management, LLC, (“Outlook”) is an SEC-registered investment advisory firm, founded in 2004. It is 100% owned by its President, David A. Raub. As of February 28, 2011, Outlook Capital Management, LLC managed \$36,408,720 of client assets on a discretionary basis. No client assets are managed on a non-discretionary basis.

Outlook manages money for individuals in the stock market and credit market on a discretionary basis. That means that Outlook’s clients, after meeting to discuss their financial affairs in detail, agree to give Outlook the authority to buy or sell securities within their Outlook Capital Management account without specific approval—before or after—of each security transaction. However, the allocation of securities between stocks and debt instruments, and also the kind of securities used for investment, are subject to a general investment strategy which each client approves when a relationship with the firm begins. (Those factors—allocation of stocks versus debt instruments, kinds of stocks and kinds of debt instruments—are essentially what we mean by “investment strategy.” We discuss this in more detail under “Methods of Analysis, Investment Strategies and Risk of Loss” later in this brochure.)

Fees and Compensation

Outlook charges an investment management fee based on the market value of managed assets. The fee schedule is:

1.0%	Annualized fee based on managed-asset market value. This fee is taken in monthly increments in arrears, that is, looking back at the prior month-end value. So the monthly fee is 1/12th of 1.0% of the prior month-end market value.
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The firm's fee schedule is negotiable.

Fees are deducted monthly from client accounts.

Outlook Capital Management, LLC receives no other compensation and charges no other fees.

Outlook's clients pay brokerage transaction fees to any broker through whom Outlook executes a securities trade within the client's account. Fidelity Investments serves as the broker and independent custodian for most Outlook clients, and Outlook directs all securities trades through Fidelity Investments when Fidelity is the custodian. Clients pay Fidelity brokerage commissions based on those trades according to the Fidelity fee schedule in effect. Clients pay Fidelity internal management fees and expenses for Fidelity-sponsored money market or other mutual funds. (However, except for money market funds used to hold cash reserves, Outlook seldom uses mutual funds in carrying out investment management duties for clients, as we discussed above under "Advisory Business.")

Please see "Brokerage Practices" for more discussion of this subject.

Performance-Based Fees and Side-by-Side Management

This item is not applicable to Outlook since it does not charge clients performance-based fees.

Types of Clients

Most of Outlook's clients are high net worth individuals. "High net worth" means individuals with over one million dollars of net worth, or over \$500,000 of assets in marketable investment securities.

Outlook's individual clients may be the trustees of their personal trusts; or the trustees of their personal retirement plans; or they may simply hold their Outlook-managed investment accounts in their own names as individuals.

While Outlook has no minimum account size, as a general guideline the firm looks for \$200,000 or more in managed assets under Outlook's supervision within each client relationship. (A "relationship" generally means the total of all accounts connected by a family relationship—such as parents and children, husband and wife, and so forth.)

Methods of Analysis, Investment Strategies and Risk of Loss

The only method of analysis Outlook uses is known as “fundamental” analysis. This simply means that we closely study the business operations and financial health of the companies in which we invest, and also of the state and local government issuers of debt instruments which we purchase for our clients. We rely, first, on “primary sources:” the companies’ financial statements and communications to investors about their strategies, business operations and financial health. We also pay attention to a variety of analysis and research carried out by brokerage firms, investment companies and specialized investment research companies.

There are, of course, two things to consider in every investment: the performance and potential of its operating business; and the relative “value” of its securities at any point in time. “Fundamental analysis” as explained above, does not address the question of value. In Outlook’s opinion that is always a highly subjective judgment. We look at value from a historical perspective (noting where a prospective investment stands against the ranges and trends of its historical values), and we also look at value in the context of competing investments. Finally, we accept that the direction of the broad stock market is always likely to be the strongest influence on the near-term performance of most stocks—so we pay close attention to the “value” represented at any point in time by the broad market.

Outlook does not trade frequently and does not engage in “market timing” strategies. We strongly believe that the most certain way to make attractive returns in the stock market is simply to identify and buy strong companies with above-average potential to grow sales and earnings over the long haul. While it is sometimes possible to see that the total market is either valued with unrealistic optimism or unrealistic pessimism, in Outlook’s opinion such “clear sights” of value are rather rare. Most of the time, Outlook believes investors are best served by the patience to endure ups and downs in market values, and by the discipline to stick with strong companies with reasonable values, rather than attempting to “time” the market’s constant swings in value by frequent exits and entrances.

When we invest in a common stock, our intention is to hold it for at least three to five years.

After an initial meeting and full discussion of a new client’s goals and circumstances, Outlook recommends an investment strategy, or sometimes a choice among strategies together with their pros and cons, and the client chooses the strategy which he or she feels is most suitable. This agreed-upon investment strategy is set forth in a letter written to the client by Outlook, based on the initial meeting and discussion. Each client’s investment strategy is tailored specifically to the client’s individual needs and circumstances. For example, Outlook might suggest an investment strategy with a heavy emphasis on common stocks, even up to 100% of the client’s Outlook-managed portfolio, for an individual with very little need for a cash return on his or her investment portfolio, now or in the foreseeable future, who also feels quite able to tolerate sharp drops in stock values, and who has the desire to grow the investment portfolio over time. On the other hand, Outlook would generally recommend a smaller proportion of common stocks (or none) for a client who lacks any one of those “qualifications.”

The size of the client's portfolio, by itself, cannot justify any particular choice of investment strategy. It's quite possible that a very wealthy client should have no common stock exposure at all; and it is conceivable that a client with modest accumulated wealth should adopt a heavily stock-oriented investment strategy. The suitability of an investment strategy always depends, in Outlook's opinion, on the "entire picture" of any client's existing wealth, current and future income and their stability, tolerance for (and understanding of) short and long-term risk, and other factors which can be very unique to individuals.

Sometimes a client requests that certain common stocks or debt instruments be avoided; and sometimes clients ask Outlook to invest in a specific stock or debt instrument which Outlook hasn't recommended. The firm generally accommodates such requests, subject to Outlook's own judgment of the soundness of any proposed investment. However, Outlook only accepts such suggestions if they are minor relative to the assets which Outlook is managing for the client. Very simply, a client shouldn't pay Outlook to manage money if the client really prefers to manage money himself.

Outlook generally invests client assets in the following types of securities:

- The individual common stocks of large, financially strong U.S. companies which are part of the S&P 500 Index.
- Individual debt instruments rated "investment grade" by Moody's or S&P, with maturities or mandatory retirements of 5 years or less.

In that first category—common stocks—the term "financially strong" is a matter of judgment. Outlook wants to convey the understanding that we do not choose to invest in companies with a great amount of debt, or little cash flow, or with a weakening combination of the two conditions, that the companies' ability to survive unexpected bad conditions is questionable. Instead, we emphasize the opposite: companies with very low and very manageable debt; and or regular cash flow which very comfortably buffers the firm against negative surprises, either in the firms' specific business or in the economy in general.

We do this because long experience has taught us that neither we, nor the people who actually run companies, can always foresee "bad news" which can sometimes threaten the very existence of financially weak companies. Financially strong companies, on the other hand, are far more likely to adapt to and recover from bad news, regardless of how surprising the problem was.

Outlook also uses money market mutual funds to hold cash reserves in client accounts. Sometimes, though rarely, Outlook also uses open-end mutual funds or exchange-traded funds as investment vehicles in carrying out a client's investment strategy. However, the great majority (at least 80%) of securities in which Outlook invests on behalf of its clients are individual stocks and bonds (or other individual debt instruments.) This policy of using individual securities, rather than mutual funds, is one of the foundations of Outlook's investment philosophy and practice. We seldom see a good reason for our clients to pay two management fees (one to Outlook and a second to a mutual fund); and by long experience we believe that the client patience and discipline which are essential to success come more easily when clients understand—through Outlook's communication and explanation—the business operations of the companies in which they own shares.

When Outlook discusses an investment strategy with any prospective client, the foundation of the discussion is the word “risk.” “Risk” has quite a few more meanings and degrees than most people realize. The risk of permanent loss of value, of course, is the type of risk which we all fundamentally understand. Since Outlook invests in common stocks and short-term, non-government-guaranteed debt instruments, a client is subject to the following risks:

Market Risk – All securities are subject to market risk. The values of the securities held by a client may fall rapidly or unpredictably due to a variety of factors, including changing economic, political or market conditions.

Equity Securities Risk – To the extent a client’s account invests in equity investments (e.g., stocks), a particular stock, an industry or stocks in general may fall in value. The value of a client’s account will go up and down with the prices of the securities in which the account invests. The prices of stocks change in response to many factors, including the historical and prospective earnings of the issuer, the value of its assets, management decisions, decreased demand for an issuer’s products or services, increased production costs, general economic conditions, interest rates, currency exchange rates, investor perceptions and market liquidity.

Fixed Income Securities Risks – To the extent a client’s account invests in fixed income securities (e.g., bonds), the investment is subject to call risk, which is the possibility that an issuer may redeem the security before maturity (a call) at a price below its current market price. An increased likelihood of a call may reduce the security’s price. If a fixed income security is called, an account may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risk, or other less favorable characteristics.

Debt obligations are also generally subject to the risk that the issuer may be unable to make principal and interest payments when they are due. In addition, securities could lose value because of a loss of confidence in the ability of the borrower to pay back debt. Non-investment grade debt – also known as “high-yield bonds” or “junk bonds” – has a higher risk of default and tends to be less liquid than higher-rated securities.

Fixed income securities are subject to the risk that the securities could lose value because of interest rate changes. For example, bonds tend to decrease in value if interest rates rise. Debt obligations with longer maturities sometimes offer higher yields, but are subject to greater price shifts as a result of interest rate changes than debt obligations with shorter maturities. For example, while U.S. Government-guaranteed securities can still be considered the only debt instrument which is entirely free of the risk of loss through default, an investor who purchases 30-year U.S. Government bonds is nevertheless taking on very significant risk of loss. In this case the loss can come by a sharp drop in market value which will happen if the general long-term interest rate level rises after one buys such a bond. It is quite possible for long-term government bonds to drop by 10% to 20% in value, with a three or four percent rise in long-term interest rates. Further, that market loss can last a long time. While the bond will indeed be paid off at par by the government at maturity, many investors (perhaps most) do not feel they have a 30-year investing time horizon, and would feel significantly damaged by a sharp drop in value in a supposedly “safe” investment.

Certain fixed income securities, including mortgage-backed securities carry prepayment risks. Prices and yields of mortgage-backed securities assume that the underlying mortgages will be paid off according to a preset schedule. If the underlying mortgages are paid off early, for example when homeowners refinance as interest rates decline, an account may be forced to reinvest the proceeds in lower yielding, high-priced securities. This may reduce an account's total return.

When recommending an investment strategy, Outlook explains all of the degrees and kinds of risk attendant upon the kinds of investments we plan to use in a client's account. Since Outlook only uses two classes of investments—short-term debt instruments and large, financially strong U.S. common stocks—our clients generally find it easier to understand the nature of the risks involved in whatever strategy they eventually approve.

Disciplinary Information

Outlook has no legal or disciplinary events to disclose.

Other Financial Industry Activities and Affiliations

Outlook Capital Management, LLC, has no other financial industry activities or affiliations which would conflict with, or affect in any way, the integrity of Outlook's client relationships.

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

Outlook Capital Management, LLC, operates under a written code of ethics in compliance with SEC Rule 204A-1.

This code of ethics is a standard of conduct which governs Outlook's treatment of its clients. As a registered investment advisor, we are a fiduciary. We have an obligation to place the interests of our clients ahead of our personal interests whenever any situation might arise which might place our personal interests in conflict with our clients' interests. Outlook's code of ethics sets forth "rules of conduct" which Outlook is obliged to follow when such situations—or the possibility of such situations—arises.

For example, two of the possible areas of conflict within many advisory firms have to do with, first, advisors making investments for clients which also benefit the advisor personally; and second, advisors using their knowledge of planned client investments to benefit themselves personally. A specific example of the first case would be an advisor who recommends for clients a security in which the advisor has a material ownership position ("material" meaning the advisor's stake in the company behind the security is large enough to give the advisor a voice in the company's management.) In neither case is such behavior consistent with the obligations of a fiduciary, and Outlook's code of ethics prohibits such behavior.

Some key extracts from Outlook's code of ethics are:

- Neither Outlook nor any related persons will recommend to clients, or buy and sell for client accounts, any security in which Outlook or anyone related to Outlook has a material interest.
- However, Outlook does recommend to clients and/or invest in clients' accounts many of the same securities which Outlook's principal owns personally. The main possibility for a conflict of interest, in such cases, would arise if Outlook's discretionary decisions to buy or sell such securities in client accounts could be timed or arranged to benefit the value of Outlook's personal holdings.

Outlook handles this potential conflict in two ways. First, when the firm makes a policy decision to buy or sell a security, it executes the trades for clients before executing the personal trades. Probably much more meaningful than this practice, however, is the protection against such conflicts which is provided by the nature of Outlook's investment philosophy, and by the relatively small size of Outlook's client base (and any individual account) relative to the size and daily trading volume of any of the securities in which Outlook invests. Putting it simply, we only recommend and invest in very large companies for our clients; and we are much, much too small for the firm's trades to have any material effect on the value of those companies' securities.

Outlook will provide a copy of its code of ethics to any client or prospective client upon request.

Brokerage Practices

Outlook Capital Management, LLC, requires clients to direct the firm to make securities trades through the clients' chosen custodian. For example, the great majority of Outlook's clients' accounts are held in custody by Fidelity Investments. Outlook's client agreement authorizes Outlook to place all securities trades through the brokerage arm of Fidelity when Fidelity is the custodian.

Fidelity does not charge custody fees to Outlook's clients. It covers the costs (and presumably makes a profit) on its custody services by receiving brokerage fees from trades within Outlook's (and other advisors') clients' accounts. Fidelity also makes money by collecting management fees and other operating expenses within its mutual funds, whenever those funds are used as investment vehicles by any client or advisor.

Fidelity's brokerage commissions and charges, paid by Outlook's clients, are not the cheapest brokerage fees available in the industry. However, Outlook has determined (and continues to determine via periodic reviews) that Fidelity's brokerage charges are reasonable and competitive. Outlook has also determined that Fidelity's mutual fund expenses are reasonable and competitive. On this subject, Outlook notes that it rarely uses mutual funds—Fidelity's or anyone else's—as a matter of policy, except for money market funds used as cash management vehicles.

The net effect of Outlook's policy of directing trades through the clients' custodian is that clients may pay more money for trades than they would if Outlook chose the cheapest possible broker available at each trade opportunity. Outlook believes that this potential extra cost is justified by the efficiency of directing client trades, clearing them and holding securities in custody all through the same entity—mostly Fidelity Investments. Outlook further believes that its periodic reviews amply justify its conclusion that Fidelity's brokerage charges are very competitive and quite reasonable.

Outlook does not engage in soft-dollar arrangements with any broker-dealer or any other business entity. A "soft-dollar arrangement" means that a brokerage firm, or other firm which offers services to investment advisors, supplies those services in exchange for the commissions from securities trades directed toward the broker by the investment advisor. Such an advisor is effectively using clients' money to pay for services received by the advisor.

Outlook does not aggregate trade orders unless it is financially advantageous to its clients to do so.

Review of Accounts

All client accounts at Outlook , receive ongoing reviews by the managing principal. Here are some examples of what we mean by “ongoing reviews.”

Although Outlook is emphatically not a market-timer, nor is it a frequent trader, on average anywhere from 5% to 15% of the stocks in client accounts are changed each year. We might buy more if we think they’re cheap; or trim a holding if we think its market value has become unrealistically high. We might sell an entire stock throughout all client accounts and replace it with a stock we judge superior. We might add a new stock to all accounts, and get the money for the new “buy” by trimming many existing stock positions.

Such actions, which generally affect all stock-owning accounts (which defines almost all Outlook client accounts), usually happen two to five times per year. When they happen, Outlook reviews every client account which is affected. We look again at the investment policy for the account, at any changes in client circumstances, and at the possible effects of any “broad” economic influences prevailing at the time, and ask ourselves whether the policy and the specific investments in the account are still optimal and appropriate.

Outlook also reviews any client account when we’re notified by the client of any significant change in circumstances, such as an unexpected need for cash, an inheritance, a job loss or gain, or many other possibilities.

Outlook’s most frequent reports to clients come in the form of its (generally) twice-weekly newsletter: the “Outlook.” In this newsletter, distributed by email (or hard copy in a few cases), Outlook discusses changes in stock investments affecting all or most clients; the business progress of specific companies whose stocks are used by the firm; and/or broad economic factors or other factors affecting the markets in general.

Outlook also writes “analysis and recommendation” letters to client whenever such letters are needed in response to a client request or change in circumstances. For some clients, such letters are seldom or never needed. For others, such letters are needed more than once per year, generally.

Finally, Outlook often (but not always) writes email updates to clients specifically commenting upon recent investment actions taken in the clients’ accounts by the firm. Such updates occur one to three times per year for most clients.

All of the above is what we mean by “ongoing reviews.”

Client Referrals and Other Compensation

Outlook receives no cash, prizes, sales awards or other economic benefits from any individual or entity in connection with any part of Outlook's business.

Outlook does not compensate any individual or entity for client referrals.

Custody

Outlook has no custody of any client funds, or securities, or assets of any kind. All clients receive statements and trade, wire or disbursement confirmations directly from the clients' custodian. Outlook does not provide its own version of any such statements and confirmations.

Investment Discretion

As noted above, Outlook's client agreement gives Outlook the discretion to execute securities trades within client accounts according to a client-approved policy, but without requiring client notification or approval of each trade.

Voting Client Securities

Outlook votes all client securities at its discretion, as authorized in Outlook's client agreement. Outlook does not accept client direction to vote particular securities.

Outlook votes proxies as management recommends in almost all cases. This general policy arises from our belief that we ought not to own a company's stock if we do not have confidence in management. If a proposal recommended by management within a proxy does not appear to have the stockholders' best interests at heart, Outlook regards this as a powerful reason to sell the holding, rather than hold it while voting against the proposal. In the latter case, Outlook's clients would be left holding a company whose management had tried to work against the shareholders' best interests, which strikes Outlook as both unacceptable and as a poor choice of strategies on the advisor's part.

Clients may find out how Outlook voted their securities by making such a request by email or letter to the President, at any time. Clients also may obtain a copy of Outlook's proxy voting policies and procedures upon request.

Financial Information

Outlook does not believe there is any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients.