

High Country Capital Management
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www.hccm.com

February 8, 2012

This Brochure provides information about the qualifications and business practices of [High Country Capital Management \(HCCM\)](http://www.hccm.com). If you have any questions about the contents of this Brochure, please contact us at (970)249-3499 or jlh@hccm.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.

[High Country Capital Management](http://www.hccm.com) 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 provide you with information about which you determine to hire or retain an Adviser.

Additional information about [High Country Capital Management](http://www.hccm.com) also is available on the SEC's website at www.adviserinfo.sec.gov.

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 February 8, 2012, 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 John L. “Jack” McKenna at (970)249-3499 or jlmc@hccm.com. Our Brochure is also available on our web site www.hccm.com, free of charge.

Additional information about High Country Capital Management 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 HCCM who are registered, or are required to be registered, as investment adviser representatives of HCCM.

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Item 4 – Advisory Business

Our Firm

High Country Capital Management (HCCM) is an investment advisory firm. Our business focus is:

- Financial & Investment Planning
- Asset Allocation & Management
- Investment Consulting
- Manager Research & Evaluation
- Qualified Retirement Plans

HCCM registered with the Securities and Exchange Commission in 1995.

Client Profile

Our clients include individuals, business owners, trusts, estates, corporations & other institutions, qualified retirement plans, foundations and endowments. Our minimum account size is \$50,000, with the exception of 401(k) plan participants, for which there is no minimum.

Each client has different

- investment objectives,
- ability or desire to take risk,
- existing investment accounts, and
- tax structure

Consequently, our recommendations are client specific and vary widely within our client base.

Investment Team

Jason G. Napoli

Jason is President, Director and minority shareholder of High Country Capital Management. He is responsible for helping HCCM clients achieve financial security by developing an investment plan to preserve, grow, and transfer their wealth. Jason has over 13 years of experience working with high-net-worth individuals, families, institutions, implementing effective investment and financial planning strategies. Prior to joining HCCM, Jason was a Director of Investment Sales and Marketing for Anthem Securities, a subsidiary of Atlas Energy, LP. Jason also held several key positions at some of the country's largest investment firms including Vice President and Investment Advisor at J.P. Morgan Chase & Co., Vice President of Sales and Marketing at a commodities focused Fund of Hedge Funds in Chicago, and Vice President and Portfolio Manager at Wells Fargo Private Bank. In addition, he managed portfolios for high-net-worth clients at TIAA-CREF Trust Company in Denver, CO.

He is active in several local non-profit organizations in Crested Butte, CO.

B.A., Regis University

M.B.A. University of Colorado

Chartered Financial Consultant®

Accredited Asset Management Specialist®

Jack McKenna, CFP®, CPA

Jack is a Founder, Director, Secretary-Treasurer and majority owner of HCCM. He became a Certified Financial Planner® in 1990, and has provided investment and estate planning services to his clients during the last 21 years. He started his career as an Accountant with Peat Marwick specializing in information systems. He also served as a division manager for Colorado Ute Electric Association in Montrose, Colorado. Later he became President of Tritec Solar Industries in Durango, Colorado and then President of McKenna Golf Corporation. From 1983 thru 2008, he was self employed as a CPA. From 2008 thru 2011, he was employed as a CPA with McKenna and Associates, LLC.

B.S., Business & Accounting, Eastern Illinois University

Certified Financial Planner®

Certified Public Accountant

Richard W. Allison

Dick is a Founder, Chair of the Investment Committee and remains active as a consultant to HCCM. He retired as Vice President in charge of the Investment Product Management Group of Aetna Life and Casualty's Investment Management subsidiary in 1992. During his Aetna career he created or participated in the development and management of a wide variety of investment products including Aetna's Asset Allocation (mean variance) and Guaranteed Investment Contracts (GIC's) businesses. The scope of his activities and responsibilities also included Real Estate as well as International & Small Cap Equities and Portfolio Insurance investment products.

B.A., Economics, Miami University, Oxford, Ohio

MBA, University of Arizona, Tucson

Justin R. McKenna

Justin is an Investment Advisor Representative. He joined HCCM in 2006 as an assistant in back office operations. In that role he completed the conversion of our portfolio accounting system to a new vendor. In the fall of 2010, he passed the series 65 exam and became a Colorado Investment Advisor Representative.

Prior to his employment with HCCM, Justin was a civil engineer.

B.S., Civil Engineering, New Mexico State University

As of March 28, 2011, HCCM has approximately \$42,000,000 of assets under management. All assets are managed on a non-discretionary basis. We take no actions in any client accounts without the client's explicit approval.

Item 5 – Fees and Compensation

The fees charged for the above services are based upon the amount of assets under management, shown in the table below:

FEE SCHEDULE

Portfolio Value	Annual Advisory Fee
\$ 0 to \$1,000,000	1.25%; \$625 minimum per year

- a) All fees are payable quarterly in arrears. Fees on accounts transferred to HCCM from other asset management companies may be negotiable without regard to account size.
- b) Fees may be negotiable on portfolios with values in excess of \$1,000,000.
- c) Charges for securities transactions, custody, and other administrative costs may be incurred by the client. None of these charges are (or will be) shared or paid to HCCM in any form.
- d) Clients who invest in mutual funds will pay both a direct management fee to HCCM and an indirect management fee to the mutual fund.

The specific manner in which fees are charged by HCCM is established in a client's written agreement with HCCM. HCCM will generally bill its fees on a quarterly basis, in arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize HCCM to directly debit fees from client accounts. Management fees shall be prorated based on the assets under management at the end of each month during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any earned, unpaid fees will be due and payable.

HCCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-

lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and 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 HCCM's fee, and HCCM shall not receive any portion of these commissions, fees, and costs.

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

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

Item 7 – Types of Clients

HCCM provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions and foundations. Our minimum account size is \$50,000.

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

Our Methods

We help clients assess their tolerance for investment risk and develop investment guidelines and asset allocation strategies within acceptable risk constraints.

We then research and recommend investments, primarily no-load mutual funds, to implement approved strategies; implement strategies and provide ongoing supervision, including monitoring and rebalancing of investment allocations; and evaluate and report on the strategies and the performance of the managers.

Typically, we develop an investment plan after a thorough consultation and discussion with the client. Recommendations that result from these discussions consider some or all of the following factors:

- | | |
|-------------------------|-------------------------|
| ✓ Investment Objectives | ✓ Tax Implications |
| ✓ Risk Tolerance | ✓ Investment Experience |
| ✓ Time Horizon | ✓ Liquidity Needs |
| ✓ Income Needs | |

All portfolios are reviewed quarterly with each client.

Fund Manager Selection & Evaluation

We utilize over 70 fund and investment managers and closely track 70 to 100 candidates covering between 9 to 12 investment markets. Each quarter, we update our “Preferred Managers” list, which usually includes 35 to 50 finalists.

We evaluate the following criteria in selecting or replacing retaining fund managers:

- ✓ **Investment Style Consistency**
- ✓ **Organizational Stability**
- ✓ **Strategic Fit**
- ✓ **Manager Tenure**
- ✓ **Assets Managed**
- ✓ **Fees & Expenses**
- ✓ **Risk Profile**
- ✓ **Performance Properties**
 - Peer relative ▪ Risk Adjusted ▪ Expense adjusted
 - Market relative ▪ Sharpe Ratio ▪ Alpha ▪ Beta
 - Standard Deviation ▪ R-squared

Principal risks

Our investment strategies utilize primarily open end no-load mutual funds, closed end funds and etf's. This section describes the principal risks associated with investing in these types of securities (“funds”) and the stocks, bonds and other securities held by the funds.

You may lose money by investing in the funds. The likelihood of loss may be greater if you invest for a shorter period of time.

Market conditions — The prices of, and the income generated by, the common stocks, bonds and other securities held by the funds may decline due to market conditions and other factors, including those directly involving the issuers of securities held by the funds.

Investing in growth-oriented stocks — Growth-oriented stocks owned by the funds may involve larger price swings and greater potential for loss than other types of investments.

Investing in income-oriented stocks — Income provided by the funds may be reduced by changes in the dividend policies of, and the capital resources available at, the companies in which the funds invests.

Investing in bonds — Rising interest rates will generally cause the prices of bonds and other debt securities to fall. In addition, falling interest rates may cause an issuer to redeem, call or refinance a security before its stated maturity, which may result in the funds having to reinvest the proceeds in lower yielding securities. Longer maturity debt securities may be subject to greater price fluctuations than shorter maturity debt securities.

Bonds and other debt securities are subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default. Lower quality debt securities generally have higher rates of interest and may be subject to greater price fluctuations than higher quality debt securities.

Investing in securities backed by the U.S. government — Securities backed by the U.S. Treasury or the full faith and credit of the U.S. government are guaranteed only as to the timely payment of interest and principal when held to maturity. Accordingly, the current market values for these securities will fluctuate with changes in interest rates. Securities issued by government sponsored entities and federal agencies and instrumentalities are neither issued nor guaranteed by the U.S. government.

Investing in mortgage-backed and asset-backed securities — Many types of bonds and other debt securities, including mortgage-backed securities, owned by the funds, are subject to prepayment risk, as well as the risks associated with investing in debt securities in general. If interest rates fall and the loans underlying these securities are prepaid faster than expected, the funds may have to reinvest the prepaid principal in lower yielding securities, thus reducing the fund's income. Conversely, if interest rates increase and the loans underlying the securities are prepaid more slowly than expected, the expected duration of the securities may be extended. This reduces the potential for the funds to invest the principal in higher yielding securities.

Investing outside the United States — Securities of issuers domiciled outside the United States, or with significant operations outside the United States, may lose value because of political, social or economic developments in the country or region in which the issuer operates. These securities may also lose value due to changes in the exchange rate of the country's currency against the U.S. dollar. Securities markets in certain countries may be more volatile and/or less liquid than those in the United States. Investments outside the United States may also be subject to different settlement and accounting practices and different regulatory, legal and reporting standards than those in the United States. These risks may be heightened in connection with investments in developing countries.

Management — The investment adviser to the funds actively manage the funds' investments. Consequently, the funds are subject to the risk that the methods and analyses employed by the investment adviser in this process may not produce the desired results. This could cause the funds to lose value or its results to lag relevant benchmarks or other funds with similar objectives. Your investment in the funds is not a

bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency, entity or person. You should consider how these funds fit into your overall investment program.

Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

As a registered investment adviser, we are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of HCCM or the integrity of HCCM's management. HCCM has had no events of this nature and therefore has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

The principal business of applicant or its principal executive officer involves something in addition to providing investment advice. Applicant has arrangements that are material to its advisory business or its clients with a related person which is a CPA firm, McKenna and Associates, LLC. With client permission, these arrangements provide that clients may be referred from one business to the other. In no instance are any referral fees or other compensation exchanged between the related companies.

Item 11 – Code of Ethics

HCCM 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 HCCM must acknowledge the terms of the Code of Ethics annually, or as amended.

HCCM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which HCCM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which HCCM, its affiliates and/or clients, directly or indirectly, have a position of interest. HCCM's employees and persons associated with HCCM are required to follow HCCM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of HCCM and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for

HCCM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of HCCM 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 HCCM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between HCCM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with HCCM'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. HCCM 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.

HCCM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Jack McKenna.

It is HCCM's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. HCCM 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. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

HCCM may recommend/require that clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-

registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although HCCM may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. HCCM is independently owned and operated and not affiliated with Schwab.

Schwab provides HCCM with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon HCCM committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For HCCM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to HCCM other products and services that benefit HCCM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of HCCM's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist HCCM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of [Advisor Firm's] fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help HCCM manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to HCCM. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HCCM. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of HCCM personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, HCCM may take into account the availability of some of the foregoing products and services and other

arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Item 13 – Review of Accounts

Asset Allocation Clients

Investments are reviewed quarterly by High Country Capital Management

Other Advisory Clients

Investments monitored only as specifically requested by clients

All clients are reviewed by High Country Capital Management Principal, John L. McKenna, or High Country's consultant Richard W Allison (either or both).

Reports

Asset Allocation Clients:

Clients are provided two quarterly reports: the 1st, is the "Performance Summary" and the 2nd is the "Portfolio Management Report". These reports may include some or all of the following:

Statement of Investment Objectives and Strategic Asset Allocation Report, Portfolio Performance Summary Report, Actual vs. Target Allocation Comparison Report, Time Weighted Return by Asset Class Report, Portfolio Performance History Report, Portfolio Appraisal Report, and Recommendation for Changes in the Portfolio.

Other Advisory Clients:

Reports are provided only upon request

Item 14 – Client Referrals and Other Compensation

In accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940, HCCM may enter into written agreements with Solicitors in conjunction with providing its services. Solicitors may be compensated by the Advisor up to 40% of the Advisory Fee paid by the client, so long as the Solicitor, Client, and Advisor maintain a relationship. The Applicant (HCCM) absorbs this cost. Pursuant to such agreements, where the Solicitor is supervised and controlled by HCCM, the Solicitor must provide a copy of HCCM's ADV Part II, as required by Rule 204-3, to prospective clients at the time of the solicitation. When the Solicitor is also a Registered Investment Adviser (RIA), then the Solicitor must provide their own Disclosure Materials (e.g. ADV Part II) to each prospective client. In the second instance, the RIA's written agreement with HCCM also requires the RIA to act in accordance with the provisions of the Investment Act of 1940. The principal terms of our written agreements with any referring entity also provide that Solicitor activities shall be limited to gathering information and providing a description of

HCCM's services. Except in the case of a separate, but affiliated RIA, the Solicitor is not authorized to make any investment recommendations, investment decisions, or execute trades.

The Solicitor is not authorized to endorse or present for collection any check, for which the Advisor conducts business.

The Solicitor shall have no authority to make, alter, modify, or discharge any contract; extend any provision thereof; extend the time for payments; incur any debts or expenses for which the Advisor may be liable; receive any money for the Advisor except as therein or otherwise, specifically in writing, may be authorized by the Advisor; withhold or convert to the Solicitor's own use or for the benefit of others any monies, securities, or receipts for the Advisor or any of the affiliates or organizations with which the Advisor conducts business.

The Solicitor shall not engage in solicitation activities unless both the Advisor and Solicitor are in compliance with all regulatory and licensing requirements, both Federal and State, at the time of the solicitation.

Item 15 – Custody

Clients will receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. HCCM 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 or reporting dates.

Item 16 – Investment Discretion

HCCM does not have discretionary authority from any clients.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, HCCM 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. HCCM may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Under certain circumstances, HCCM would be required in this Item to provide you with certain financial information or disclosures about HCCM's financial condition. HCCM 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. Therefore we are not required to provide this information.

Brochure Supplements

See Item 4 – Advisory Business, *Investment Team*