

Firm Brochure

(Part 2A of Form ADV)

BENHAM & GREEN CAPITAL MANAGEMENT

1299 PROSPECT STREET, SUITE 301

LA JOLLA, CA 92037

(858) 551-3130

(858) 551-3135

WWW.BENHAMGREEN.COM

This brochure provides information about the qualifications and business practices of BENHAM & GREEN CAPITAL MANAGEMENT. If you have any questions about the contents of this brochure, please contact us at (858) 551-3130. 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 BENHAM & GREEN CAPITAL MANAGEMENT is available at www.adviserinfo.sec.gov

2/17/12

Material Changes

Annual Update 2/17/12

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure. The annual update generally occurs by March 31.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

If you would like to receive a complete copy of our Firm Brochure, please contact us at (858) 551-3130 and we will be happy to send one to you.

Table of Contents

Material Changes.....	i
Annual Update 2/17/12	i
Material Changes since the Last Update	i
Full Brochure Available	i
Advisory Business	1
Firm Description.....	1
Principal Owners.....	2
Types of Advisory Services.....	2
Tailored Relationships	2
Types of Agreements.....	2
Advisory Service Agreement.....	2
Asset Management.....	3
Termination of Agreement	3
Fees and Compensation	4
Description.....	4
Fee Billing.....	4
Other Fees.....	4
Expense Ratios.....	4
Performance-Based Fees	5
Sharing of Capital Gains	5
Types of Clients.....	5
Description.....	5
Account Minimums.....	5
Methods of Analysis, Investment Strategies and Risk of Loss.....	5
Methods of Analysis.....	5
Investment Strategies	6
Risk of Loss	6
Disciplinary Information	7
Legal and Disciplinary.....	7
Other Financial Industry Activities and Affiliations	7
Financial Industry Activities.....	7

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	8
Code of Ethics.....	8
Participation or Interest in Client Transactions.....	8
Personal Trading.....	8
Brokerage Practices.....	8
Selecting Brokerage Firms.....	8
Best Execution	8
Review of Accounts	9
Periodic Reviews	9
Review Triggers.....	9
Regular Reports.....	9
Client Referrals and Other Compensation	9
Incoming Referrals.....	9
Referrals Out	9
Custody.....	9
SEC “Custody”	9
Account Statements.....	10
Performance Reports.....	10
Investment Discretion.....	10
Discretionary Authority for Trading.....	10
Limited Power of Attorney	10
Voting Client Securities	10
Proxy Votes	10
Financial Information	11
Financial Condition	11
Business Continuity Plan	11
General	11
Disasters	11
Alternate Offices	11
Information Security Program.....	11
Information Security	11
Privacy Notice	11

Brochure Supplement (ADV Part 2B – Item 19, State Registered Advisors).....	13
Education and Business Standards	13
Professional Certifications	13
EMPLOYEE NAME 1, CERTIFICATIONS	13
EMPLOYEE NAME 2, CERTIFICATIONS	14

Advisory Business

Firm Description

BENHAM & GREEN CAPITAL MANAGEMENT, ("FIRM NAME") was founded in 1999.

BENHAM & GREEN CAPITAL MANAGEMENT provides personalized confidential investment management to individuals, pension and profit sharing plans, trusts, estates and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems and/or risks, tax planning issues, investment management style, education funding, and retirement planning.

BENHAM & GREEN CAPITAL MANAGEMENT is strictly a fee-only investment management firm. The firm does not receive commissions for purchasing or selling stocks, bonds, mutual funds or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is provided in conjunction with clients' investment objectives and tolerance for risk. Charles Schwab and Co., Inc. acts as custodian of client assets. BENHAM & GREEN CAPITAL MANAGEMENT does not act as a custodian of client assets. The client always maintains asset control. BENHAM & GREEN CAPITAL MANAGEMENT places trades for clients under a limited power of attorney.

A written summary of each client's initial situation is determined by speaking with the client in conjunction with client feedback on the Investment Policy Statement document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone at (858) 551-3130, is free of charge and is considered an exploratory interview to determine the extent to which Benham & Green's investment management services may be beneficial to the client.

Principal Owners

Mike Green is a 50% managing member. Jim Benham is a 50% managing member.

Types of Advisory Services

BENHAM & GREEN CAPITAL MANAGEMENT provides investment management services, also known as asset management services.

As of 2/17/12, BENHAM & GREEN CAPITAL MANAGEMENT managed approximately \$32.6 million in assets for approximately 125 clients in 198 accounts. Approximately \$31.4 million is managed on a discretionary basis, and \$ 1.2 million is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented on the Investment Policy Statement and monitored in our client management system, ACT. Investment advisory services are utilized that reflect the stated goals and objective of the clients. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships:

Investment Advisory Agreement

Most clients choose to have BENHAM & GREEN CAPITAL MANAGEMENT manage their assets in order to obtain ongoing in-depth investment guidance for the purpose of achieving short- and long-term investment objectives. All relevant aspects of the client's financial affairs are reviewed, including those of their children if possible. Realistic goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes investment management (including reporting); education planning; retirement planning as well as the implementation of recommendations within each area.

Fees are based on a percentage of the investable assets according to the following schedule:

_1.00% for equities and mutual funds on the first \$15,000,000;

_0.35% for bonds and other fixed-income securities.

Although the Investment Advisory Agreement is an ongoing agreement, the length of service to the client is at the client's discretion. The client or the investment manager may terminate the Agreement by written notice to the other party at any time. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Asset Management

Assets may be invested in no-load mutual funds and exchange-traded funds, listed equities and fixed-income securities. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Charles Schwab & Co., Inc. may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. BENHAM & GREEN CAPITAL MANAGEMENT does not receive any compensation, in any form, from fund companies or brokerage firms for securities or funds purchased or sold.

Investments may also include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, U. S. government securities, options contracts and futures contracts.

Initial public offerings (IPOs) are not available through BENHAM & GREEN CAPITAL MANAGEMENT.

Termination of Agreement

A Client may terminate their agreement at any time by notifying BENHAM & GREEN CAPITAL MANAGEMENT in writing and paying the pro rate fee quarterly fee for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, BENHAM & GREEN CAPITAL MANAGEMENT will refund any unearned portion of the advance payment.

BENHAM & GREEN CAPITAL MANAGEMENT may terminate the agreement at any time by notifying the client in writing.

Fees and Compensation

Description

BENHAM & GREEN CAPITAL MANAGEMENT bases its fees on a percentage of assets under management.

Fee Billing

Investment management fees are billed quarterly, in advance based on client assets under management at quarter-end, meaning that we invoice clients before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are typically deducted from a designated client account at Charles Schwab to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

BENHAM & GREEN CAPITAL MANAGEMENT, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to BENHAM & GREEN CAPITAL MANAGEMENT and are deducted directly from the mutual fund prior to daily pricing. In other words, the daily closing price you see for mutual funds reflects the deduction of the management fee and other fund expenses.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

BENHAM & GREEN CAPITAL MANAGEMENT does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

BENHAM & GREEN CAPITAL MANAGEMENT generally provides investment advice to individuals, trusts, estates and retirement plans.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is generally \$100,000 of assets under management, which equates to an annual fee of \$1000.

BENHAM & GREEN CAPITAL MANAGEMENT has the discretion to waive the account minimum. Accounts of less than \$100,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$100,000 within a reasonable time. Other exceptions will apply to employees of BENHAM & GREEN CAPITAL MANAGEMENT and their relatives, or relatives of existing clients.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods include fundamental analysis and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that BENHAM & GREEN CAPITAL MANAGEMENT may use include Charles Schwab & Company's "SchwabLink" service and various investment-oriented sites the Internet.

Investment Strategies

The primary investment strategy used for client accounts depends on the investment objectives, investment time horizon and risk tolerance of the client. Growth portfolios are invested primarily in stocks. Income portfolios are invested primarily in bonds. Growth & Income accounts are managed using a combination of stocks and bonds.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an "Investment Policy Statement" that documents their objectives and their desired investment strategy. The Investment Policy Statement also documents BENHAM & GREEN CAPITAL MANAGEMENT'S investment philosophy, the client's investment time period, planned contributions and distributions, client restrictions and constraints, and the target asset mix.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. In general, investors may face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed-income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling

companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

BENHAM & GREEN CAPITAL MANAGEMENT is a registered investment advisor.

Custodial Arrangement

BENHAM & GREEN CAPITAL has a custodial arrangement with Charles Schwab & Company. Client funds and securities are maintained in a separate account for the client under the client's name.

Charles Schwab & Company
101 Montgomery Street
San Francisco, CA 94101

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

Code of Ethics

The employees of BENHAM & GREEN CAPITAL MANAGEMENT have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

BENHAM & GREEN CAPITAL MANAGEMENT and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the BENHAM & GREEN CAPITAL MANAGEMENT Code of Ethics.

Personal Trading

The Chief Compliance Officer of BENHAM & GREEN CAPITAL MANAGEMENT is Jim Benham. He reviews all employee trades each quarter. His trades are reviewed by Mike Green. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Brokerage Practices

Selecting Brokerage Firms

BENHAM & GREEN CAPITAL MANAGEMENT utilizes Charles Schwab & Company for trading, back office services and as custodian of client assets.

BENHAM & GREEN CAPITAL MANAGEMENT does not receive fees or commissions from any of these arrangements.

Best Execution

BENHAM & GREEN CAPITAL MANAGEMENT reviews the execution of trades and performs an annual review of the overall benefits of Charles Schwab relative to alternatives providers. Trading fees charged by the Charles Schwab & Company are reviewed on an annual basis. BENHAM & GREEN CAPITAL MANAGEMENT does not receive any portion of the trading fees.

The selection of Charles Schwab & Company as a custodian for clients is not affected by this nominal credit.

Review of Accounts

Periodic Reviews

Portfolio supervision includes the daily review of the underlying assets, and making changes in client assets if/as needed. Each client portfolio is reviewed by Mike Green, Chief Investment Officer, on at least a monthly basis to determine if any changes are needed in the overall portfolio. Account reviews are performed more frequently when market conditions dictate and accounts are reviewed any time new cash is added to the account.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, changes in a client's own financial situation or tolerance for risk and the addition or withdrawal of assets from the account.

Regular Reports

Account reviews consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client within the stated investment time horizon specific to the client's investment objectives.

Clients receive quarterly communications. Quarterly communications include a letter to clients and an unrealized gain/loss report for each client portfolio. Additional reports are available upon request.

Client Referrals and Other Compensation

Incoming Referrals

BENHAM & GREEN CAPITAL MANAGEMENT has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

BENHAM & GREEN CAPITAL MANAGEMENT does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

SEC "Custody"

BENHAM & GREEN CAPITAL MANAGEMENT does not take custody of client funds or assets. Charles Schwab & Company is the custodian of all client assets.

Account Statements

All assets are held at Charles Schwab & Company, which provides account statements directly to clients at least quarterly.

Performance Reports

Clients are encouraged to compare the account statements received directly from their custodians to the quarterly unrealized gain/loss report statements provided by BENHAM & GREEN CAPITAL MANAGEMENT.

Investment Discretion

Discretionary Authority for Trading

BENHAM & GREEN CAPITAL MANAGEMENT accepts discretionary authority to manage securities accounts on behalf of clients. BENHAM & GREEN CAPITAL MANAGEMENT has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, BENHAM & GREEN CAPITAL MANAGEMENT consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The client approves the custodian to be used and the commission rates paid to the custodian. BENHAM & GREEN CAPITAL MANAGEMENT does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

Unless the client designates otherwise, BENHAM & GREEN CAPITAL MANAGEMENT votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of BENHAM & GREEN CAPITAL MANAGEMENT's proxy voting policy is available upon request.

Financial Information

Financial Condition

BENHAM & GREEN CAPITAL MANAGEMENT does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because BENHAM & GREEN CAPITAL MANAGEMENT does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Business Continuity Plan

General

BENHAM & GREEN CAPITAL MANAGEMENT has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as earthquakes, hurricanes, fires, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

BENHAM & GREEN CAPITAL MANAGEMENT maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

BENHAM & GREEN CAPITAL MANAGEMENT is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone (858) 551-3130, mail, fax (858) 551-3135 or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Item 19: Requirements for State Registered Advisors:

Jim Benham: Date of Birth 7/30/64

Educational Background:

- San Diego State University, BS/Marketing (1987)

Business Experience:

- Benham & Green Capital Management, La Jolla, CA, Managing Member: 9/98 to present.
- American Century Investments, Mountain View, CA, Marketing Manager: 1/89 to 8/98

Other Business Activities: None

Additional Compensation: None

Supervision:

- Jim Benham is supervised by Mike Green, Managing Member. He reviews Jim Benham's work through frequent office interactions as well as remote interactions.

Mike Green's contact information:
(858) 551-3130

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Mike Green: Date of Birth 2/4/64

Educational Background:

- San Diego State University, San Diego, CA, BA/Journalism (1987)

Business Experience:

- Benham & Green Capital Management, La Jolla, CA, Managing Member 1/89 to present.
- Paine Webber, La Jolla, CA (previously Escondido, CA) Registered Representative (1/90 to 7/99)

Other Business Activities: None

Supervision:

- Mike Green is supervised by Jim Benham, Managing Member. He reviews Mike Green's work through frequent office interactions as well as remote interactions. .

Jim Benham's contact information:
(858) 551-3130

Mike Green (continued)

Additional Compensation: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None