

Byrd Capital Market Advisers, Inc

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www.ByrdCapital.com

March 31, 2012

Item 1 – Cover Page

This Brochure provides information about the qualifications and business practices of Byrd Capital Market Advisers, Inc. (Byrd Capital). If you have any questions about the contents of this Brochure, please contact us at 817.649.0197 and/or Jbyrd@ByrdCapital.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.

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

Additional information about Byrd Capital 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 March 25, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

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

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

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

Currently, our Brochure may be requested by contacting John W. Byrd, President at 817.649.0197 or Jbyrd@byrdcapital.com. Our Brochure is also available on our web site www.ByrdCapital.com, also free of charge.

Additional information about Byrd Capital Market Advisers, Inc. 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 Byrd Capital Market Advisers, Inc. who are registered, or are required to be registered, as investment adviser representatives of Byrd Capital Market Advisers, Inc.

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Item 4 – Advisory Business

Byrd Capital Market Advisers, Inc. (Byrd Capital) is fee-only registered investment advisor. This means that we charge a fee for our services and do not sell, nor do we receive commissions or other compensation from the investments we may recommend or use in helping our clients achieve their goals. We also do not participate in “wrap-fee” programs.

We offer investment management and overall advisory services. The following describes our philosophy, methodology and process.

PHILOSOPHY:

Byrd Capital has 4 foundational belief cornerstones that guide our work. They are:

1. Money has a purpose in our lives which is unique for every client. This purpose is seldom to get a number; but rather, to live a certain lifestyle, educate our children, support a particular charity, etc.
2. Money is primarily a tool we use to accomplish our goals in life. A successful investment experience is based upon aligning your money with your life rather than your life with your money.
3. Our goals must be realistic, achievable and clearly articulated. Specificity and reality are essential for long-term investment success.
4. The key to a successful investment experience is to insure the risk you are taking is the risk you *require* for your personal goal attainment, not what you (or someone else) think you can *tolerate*.

METHODOLOGY:

Through a combination of face-to-face meetings and data-gathering methods, we focus on capturing the “reason” a client wants (or needs) to invest. Then with that understanding firmly in hand, we formulate an investment strategy that seeks to support that specific reason or *purpose*. Over time, snap shots are taken to examine the client’s progress toward specific goal(s). Periodically, we will reexamine your “reasons”; thereby, making certain to capture any changes that may develop or critical financial events that arise, adjusting your strategy as necessary.

PROCESS:

We undergo the following process when providing our services to our clients:

1. Exploration & Data Gathering Phase - During this initial period, goals and objectives are clarified. Current and future assets along with income and liabilities are identified and prepared for analysis.
2. Evaluation of goal achievement and realistic measurement Phase – When appropriate, a financial stress test is performed which seeks to understand the viability and success probability of your goals.

3. Pre-Deployment and Investment Policy Phase – During this phase, a customized Asset Allocation and overall strategy is developed. A “financial blueprint” is written that codifies your goals and the methodology to be employed. This becomes your formal written Investment Policy Statement.
4. Deployment Phase – Your assets are deployed or the deployment is modified to fit your current objectives.
5. Ongoing Monitor and Review Phase – On an ongoing basis, your progress is evaluated and regularly reviewed. Goals and available resources are reexamined periodically over time – adapting and modifying as needed and/or required.

SERVICES: Byrd Capital offers three levels of service which range from asset management only to more comprehensive wealth management. Each level offers an additional series of services which are added to the services received at the lower level.

COMPANY/OWNERSHIP: The President and CEO of the firm is John W. Byrd (d.o.b. 07/1953). Mr. Byrd is the founder and is responsible for the overall strategy of the company. Mr. Byrd holds a Bachelors Degree from Louisiana State University (1976) and did management and business graduate work at American Technological University (1978-79). He was certified in 1988 as an Investment Management Analyst through the Wharton School of Business. He has provided investment advisory assistance and counsel to clients since 1984. Mr. Byrd formed Byrd Capital Market Advisers, Inc. in 1995 in order to provide fee-only advice and counsel to private individuals and families as well as to select institutions. As of March 31, 2012, Byrd Capital was providing advisory “oversight” to client assets in excess of \$55 million.

Item 5 – Fees and Compensation

ADVISORY COSTS: The specific manner in which fees are charged for services is established in a client’s written agreement.

Byrd Capital provides its services for a fee based upon the value of assets which is debited from the client’s account at the start of the calendar quarter. The calculation is made using the previous quarter's ending value to determine the fee for the upcoming quarter. All fees are pro-rated for partial quarters. If a contract is terminated in the middle of a quarter, the client will receive a refund of a pro-rata portion of the quarterly fees. The advisory contract may be terminated by Adviser or the client upon 30 days written notice to the other. All advisor fees are paid at the beginning of the period according to the following Standard Schedule (i.e.-one-fourth of the annual percentage). This schedule may be modified under certain prearranged and specific conditions.

<i>For first \$1 million</i>	<i>1.00% Annually</i>	<i>0.25 % Quarterly</i>
<i>Then, next \$1 million</i>	<i>0.75% Annually</i>	<i>0.1875% Quarterly</i>
<i>Then, next \$4 million</i>	<i>0.50% Annually</i>	<i>0.125% Quarterly</i>
<i>Then, next \$4 million</i>	<i>0.30% Annually</i>	<i>0.075 % Quarterly</i>
<i>All over \$10 million</i>	<i>0.25% Annually</i>	<i>0.0625% Quarterly</i>

In providing its services, Byrd Capital has the option to contract with other parties to provide services designed to assist the firm in providing its services for the benefit of the Client. When and if these relationships are employed,

they are designed to provide Byrd Capital with certain “back office” tools and services to help the firm in the formation, implementation, management, and monitoring of its investment recommendations for its clients.

Byrd Capital currently has an established strategic relationship with LWI Financial Inc. (LWIF) for the purposes of providing these “back office” administrative services. LWIF may also act as a co-advisor with Byrd Capital if so designated by Byrd Capital. This is done in order to provide an additional layer of continuity and consistency for the client along with providing additional account overlap in the case of emergency or traumatic event such as injury or death of Mr. Byrd. When this relationship is employed, the advisor fees are shared on a 65/35 basis with Byrd Capital receiving the 65%. Comparable services may be available for more or less however the fees charged by Byrd Capital would be unchanged with or without the inclusion of LWIF.

Included within the relationship with LWIF, representatives of Byrd Capital may be offered a chance to participate in annual due diligence and education seminars sponsored by LWIF. Attendance expenses associated with such educational seminars may be paid or reimbursed, either in whole or in part, by LWIF. These seminars are designed to provide a broadening of the educational understanding of current economics, Modern Portfolio Theory, investment finance, etc. Byrd Capital is however under no obligation, nor requirement, to attend these seminars; therefore, representatives of Byrd Capital may or may not attend.

COSTS NOT CONTROLLED BY ADVISOR: There are other costs associated with an advisory relationship with Byrd Capital of which the client should be aware. These costs are exclusive of and in addition to Byrd Capital’s advisory fee. These costs are not within Byrd Capital’s ability to control. For example, the mutual funds employed are no-load (no commission) funds; however just like all mutual funds, they will contain internal management fees. There will also be transaction costs assessed by the discount broker/custodian when the funds/investments are bought and sold. There may also be certain charges imposed by custodians, brokers, third party investment and other third parties such as custodial fees, wire transfer and electronic fund fees, etc.

Byrd Capital does not and shall not receive any portion of these costs, fees, etc.

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

Byrd Capital does not participate in 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

Byrd Capital currently provides portfolio management services to individuals, high net worth individuals, and select institutional clients such as municipal pension and charitable plans.

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

FOUNDATIONAL INVESTING PRINCIPLE - Every discussion regarding investing, to include the philosophy, methodology and process used by Byrd Capital must begin with the understanding that investing in securities involves risk of loss that clients should be prepared to bear.

Said another way, it is not possible in a real world setting to expect to have your money exposed to risk and not also realize that at some point in time you will also experience that risk.

Efforts through portfolio design and informed decision-making can help mitigate risk exposure, but it can never completely eliminate it.

INVESTMENT /ANALYTICAL APPROACH: Byrd Capital's understanding of investments begins with the Nobel Prize-winning principles of Modern Portfolio Theory (MPT) which stresses that risk and return are related and that efficiently designed portfolios provide a better way to accomplish long-term goals.

We believe that efficient portfolios allocate investments across multiple and dissimilar asset classes as a way to increase return potential while reducing risk experience. We also believe that the markets are generally efficient and that the ability to consistently time the market or "pick hot stocks" has an extremely low probability of achieving desired outcomes; therefore we focus primarily on the asset allocation decision when designing a strategy for a client. This belief system results in not wasting time actively searching for the next big investment and more time understanding the client's objectives; then, building efficient portfolios using asset class based strategies.

Our investment philosophy includes the belief that clients also have specific behavioral components in their life that are unique to them and understanding these is important for helping guide long-term investment decisions. In this effort, a central part of working with clients involves a discovery process that is designed to uncover what these behavioral issues and motivations are; then once discovered, to seek to achieve and maintain an alignment between the client and advisor with regard to the methodology, purpose and process.

When this alignment is accomplished, Byrd Capital believes the client is better suited to avoid potentially harmful ad hoc decisions and to endure the ups and downs that are an integral part of the investment experience, thereby increasing the probability of achieving the client's goals.

When managing client assets, Byrd Capital employs a "Core and Explore" approach which entails establishing a primary "core" of strategically allocated asset class mutual funds – and then when appropriate, supplement this with a *purpose-specific* "explore" component. A good example of this would be the utilization of inflation sensitive instruments for the specific "purpose" of mitigating the impact of inflation on a portfolio. Whenever an "explore" component is employed, it is to be within a no-load (non-commission) managed environment such as a mutual fund.

In the implementation of their strategy, our clients are offered a selection of modeled portfolios as well as the option of having a specific allocation tailored to meet a specific client need. The modeled allocations generally range from 20% to 80% equity participation and include both domestic and global exposure.

As previously discussed in Item 5 above, in the process of providing its services, Byrd Capital has established a strategic relationship with LWI Financial Inc. (LWIF) and currently manages client portfolios in conjunction with

LWIF who, along with actual management assistance, provides Byrd Capital with research, computer assistance in portfolio modeling, optimization, quarterly rebalancing, general account reconciliation, back-office fulfillment, report and statement production, and fee debiting , etc.

In the course of exercising its discretionary authority to choose the funds used for the various portfolios, Byrd Capital considers the appropriateness of the funds to the overall portfolios, management expertise and style, and internal management costs of the funds themselves. The firm relies on several sources for information including Dimensional Funds Advisors, Inc. (DFA) from Santa Monica California and LWI Advisor Services Inc. (LWIF) from San Jose California, as well as data from other sources and periodic discussions with fund managers.

Byrd Capital currently utilizes the Institutional Asset Class mutual funds of DFA in the management of its portfolios because the Advisor has determined that DFA's investment vehicles allow clients to actually receive the benefits of a designed strategy by capturing the representative behavior of the specific asset classes that are used within the allocation. In the opinion of the Advisor, this provides the client with a more reasonable probability of actually receiving the benefits associated with the allocation that has been designed and employed.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Byrd Capital or the integrity of Byrd Capital's management.

Byrd Capital has no material information applicable to this item however there was an administrative event which the firm would like to disclose.

Prior to 2003, Registered Investment Advisors utilized a "hard copy" written process to provide the annual updates that are required by the Investment Advisers Act of 1940. The process for advisors who meet certain assets under management requirements and fall under the federal oversight of the Securities and Exchange Commission (SEC), like Byrd Capital, are required to file these updates directly with the SEC as opposed to filing directly with the state in which it conducts business.

For those advisors who qualify for federal filing, states receive and accept "notification" from the federal regulatory authorities of the Advisor's filing rather than require a separate filing with the individual State Securities Board(s). This was and continues today to be the registration updating process.

In 2003, there was a transition from "written" to "online" submission. Byrd Capital fulfilled this transitional requirement on time and within complete compliance and has done so every year before and since the electronic transition change.

At the time of the transition to electronic filing, a one-time secondary submission for John W Byrd as an "advisory affiliate" of Byrd Capital inadvertently did not get filed electronically. This error was not discovered until three years later during a blanket review by the office of the Texas State Securities Board. This particular error apparently occurred throughout the state involving a significant number of other individually-owned and operated Registered Investment Advisors (as well as many others across the country) and went undiscovered by the Texas state agency until 2006.

Once the oversight was brought to our attention, immediate action was taken to correct the heretofore unrealized mistake and the proper form was electronically filed accordingly.

Although strongly protested by Byrd Capital, the Texas State Securities Board Commissioner elected to issue an administrative reprimand to John W Byrd the person, for this mistake. Through independent consultations with other advisors around the country, we found that most other states dealing with this problem simply allowed the advisor involved to file the required secondary form without further action, however, the state of Texas decided upon a different approach.

It is very important to understand that at no time was there any claim, discussion, suggestion or inference of any legal, material or other negatively viewed representation against Byrd Capital the firm, or John W Byrd the person and “advisory affiliate” of Byrd Capital.

This event was administrative in nature and the result of an oversight during the transition from the physical written to electronic filing of annual updates.

Item 10 – Other Financial Industry Activities and Affiliations

As discussed in Items 5 and 8 above, Byrd Capital currently has an established strategic relationship with LWI Financial Inc. (LWIF) for the purposes of providing “back office” administrative services. LWIF may also act as a co-advisor with Byrd Capital if so designated by Byrd Capital. This is done in order to provide an additional layer of continuity and consistency for the client along with providing additional account overlap in the case of emergency or traumatic event such as injury or death of Mr. Byrd. When this relationship is employed, the advisor fees are shared on a 65/35 basis with Byrd Capital receiving the 65%. Comparable services may be available for more or less however the fees charged by Byrd Capital would be unchanged with or without the inclusion of LWIF.

Item 11 – Code of Ethics

OVERALL POLICY: Byrd Capital, as a matter of policy and practice, and consistent with industry best practices and compliance with federal securities laws, 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.

Byrd Capital has adopted procedures to implement the firm's policy on personal securities transactions and our Code of Ethics and reviews to monitor and ensure the firm's policy is observed, implemented properly and amended, as appropriate, which include the following:

- Formal adoption of the firm's Code of Ethics by management.
- The Chief Compliance Officer annually distributes the current Code of Ethics to all supervised persons and to all new supervised persons upon hire.
- Each supervised person must acknowledge receipt of the firm's Code of Ethics initially upon hire and annually and return a signed acknowledgement/certification form to the Chief Compliance Officer.
- The Chief Compliance Officer, with other designated officer(s), annually reviews the firm's Code of Ethics and updates the Code of Ethics as may be appropriate.

- The Chief Compliance Officer periodically reviews access persons' personal transactions/holdings reports.
- The Chief Compliance Officer, or his/her designee, retains relevant Code of Ethics records as required, including but not limited to, Codes of Ethics, as amended from time to time, acknowledgement/certification forms, initial and annual holdings reports, quarterly reports of personal securities transactions, violations and sanctions, among others.
- The firm provides initial and periodic education about the Code of Ethics, and each person's responsibilities and reporting requirements, under the Code of Ethics.
- The firm's Form ADV Part II is amended and periodically reviewed by the Chief Compliance Officer to appropriately disclose a summary of the firm's Code of Ethics.
- The Chief Compliance Officer is responsible for receiving and responding to any client requests for the firm's Code of Ethics and maintaining required records.

OFFICER AND EMPLOYEE SPECIFIC POLICY: Officers or employees of Byrd Capital may buy or sell no load mutual funds or invest in portfolios the same as, or similar to, those Byrd Capital recommends to its clients. Byrd Capital's policy is to prevent anyone associated with the firm from knowingly benefiting in his or her personal investments to the detriment of Byrd Capital's clients.

Byrd Capital's policy allows employees to maintain personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest, including any accounts for any immediate family or household members, is consistent with Byrd Capital's fiduciary duty to its clients and consistent with regulatory requirements.

Each employee must identify any personal investment accounts and report all reportable transactions and investment activity on at least a quarterly basis to the firm's Compliance Officer, or other designated officer.

Item 12 – Brokerage Practices

Byrd Capital is a fee-only firm and does not participate in commission-oriented transactions to include wrap-fees, "soft dollar" actions, etc.

The securities utilized in the implementation of Byrd Capital's portfolios are "no-load" (no commission) institutional mutual funds that follow specific asset allocation models that seek to balance the necessity of risk assumption with the desire for long term positive returns. All clients who choose to work with Byrd Capital understand these are the vehicles to be used and therefore, accept the decisions made by Byrd Capital as to investments chosen and placed into a particular portfolio.

As discussed in Item 5, all mutual funds, to include institutional mutual funds, contain an internal management fee for the fund determined by the mutual fund company and are discussed within the appropriate prospectus. These costs are not controllable by Byrd Capital. Asset class mutual funds, particularly institutional versions, tend to have internal management costs that are significantly below average mutual funds. The funds we use for client portfolios are of this type.

Byrd Capital recommends certain custodians to its clients based on the fees charged by the custodians and the services required by those clients. The brokerage firm selected by the client to serve as custodian is the broker through whom the mutual fund shares are purchased and sold. Certain brokers that provide differing services may charge differing custodian and/or ticket charges.

Item 13 – Review of Accounts

Clients receive monthly valuations of their portfolios, which show current holdings and account activity, to include contributions and withdrawals, advisor fees, interests/dividends, etc. They also routinely receive realized/unrealized gains/losses, tax-oriented reports and portfolio performance evaluations.

Byrd Capital conducts reviews with clients and routine client servicing. We may provide our services in conjunction with a third party administrative firm such as LWI Financial, Inc. (LWIF) of San Jose California. When this occurs, LWIF provides Byrd Capital with the above listed reports, to include quarterly reporting with specialized updates and/or "status reports" as necessary or required by the client.

Item 14 – *Client* Referrals and Other Compensation

Byrd Capital does not compensate or otherwise pay for recommendations to prospective clients.

Item 15 – Custody

Clients should receive at least monthly/quarterly statements from the discount brokers and/or custodians utilized which physically hold and maintain the client's investment assets. Byrd Capital urges each client to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

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

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

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

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Byrd Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

Registered Investment Advisers may be required in this Item to provide you with certain financial information or disclosures about Byrd Capital's financial condition. As such, Byrd Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.