

Cypress Asset Management, Inc.

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March 1, 2012

Item 1: Cover Page

This brochure provides information about the qualifications and business practices of Cypress Asset Management, Inc ("Cypress"). If you have any questions about the contents of this brochure, please contact us at 434-202-8295, or info@cypressam.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.

Cypress Asset Management, Inc 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 so you can to decide whether you wish to hire or retain the Adviser.

Additional information about Cypress Asset Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

On July 28, 2010, the United States 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 1, 2012**, is not materially different from Cypress Asset Management's previous brochure dated **March 1, 2011**.

Currently, our brochure may be requested by contacting us at 434-202-8295 or info@cypressam.com. Our brochure is also available on our web site www.cypressam.com.

Additional information about Cypress Asset Management, Inc. is available via the SEC's web site www.adviserinfo.sec.gov.

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Item 4: Advisory Business

Advisory Services and Fees

Cypress was incorporated in November 1995. Its principal owner, Mr. Xavier J. Urpi, has been with the firm since its inception and has been in the investment business since 1979.

Cypress provides investment supervisory services to institutional accounts and private clients. For institutions, Cypress focuses mainly on the fixed income market. For private clients, Cypress engages in wealth management. Cypress tailors its services to the individual client, as no two clients have the exact same objectives, risk parameters, or time frame. Depending upon the objectives, guidelines and investment restrictions of the individual client, Cypress employs various investment strategies to provide these services. The investment strategies may involve long-term or short-term objectives and risk characteristics. Once the appropriate strategy is determined, Cypress may recommend a benchmark to frame the desires of the client. A portfolio manager then structures the investments so that the portfolio, as a whole, would conform to the risk level of that benchmark. The benchmark also is intended to provide the client with a measuring tool against which portfolio performance can be measured.

As of December 31, 2011, Cypress manages, or advises, on a discretionary and non-discretionary basis, approximately \$800 Million in assets.

Item 5: Fees and Compensation

All fees are subject to negotiation.

The specific manner in which fees are charged by Cypress is established in the client's written agreement with Cypress. Unless otherwise requested, Cypress will bill its fees on a quarterly basis. Clients may elect to be billed in advance, or arrears, each calendar quarter. Clients may also elect to be billed directly for fees, or to authorize Cypress to debit fees from client accounts. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of *minimum* contributions and withdrawals, which is referred to as *de minimis*). A prorated fee will be charged for accounts initiated or terminated during a calendar quarter. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. Fees are based upon the fair market value of assets under management at the end of each quarter or predetermined time period, and are invoiced quarterly. The basic fee schedule for the services described above is as follows:

Total Assets Under Management	Annual Fee
\$1 - \$500,000	1.0% and \$250 minimum fee
\$500,001 - \$2,500,000	0.50%
\$2,500,001 - \$20,000,000	0.25%
Above \$20,000,000	0.20%

Cypress' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which a client may incur. Custodians, brokers, third party investment and other third parties may charge fees such as:

- Manager fees
- Custodial fees
- Deferred sales charges
- Odd-lot differentials
- Transfer taxes
- Wire transfer and electronic fund fees
- 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. (An exchange-traded fund, or ETF, is an investment fund traded on stock exchanges, much like stocks.) These additional charges, fees and commissions are exclusive of and in addition to Cypress' fee; Cypress does not receive any portion of these commissions, fees, and costs.

Item 12 of this brochure further describes the factors that Cypress considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Cypress currently 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

Cypress provides portfolio management services and/or investment advice to:

- Individuals
- Institutions

Minimum Account Size

There is an account minimum of \$25,000, which may be waived by the investment advisor, based on the needs of the client.

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

A. Methods of analysis and investment strategies:

Cypress' methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

- Fundamental analysis involves the analysis of financial statements, and the general financial health of companies.
- Technical analysis involves the analysis of past market data; primarily price and yield.
- Cyclical analysis involves the analysis of business cycles to find favorable conditions for buying and/or selling an asset class and sectors within asset classes.

B. Material Risks Involved:

Cypress uses strategies that are designed to *preserve and protect* client's capital; however, investing in any security that is not government guaranteed and longer than three months in maturity has some risk of loss. Cypress will at times utilize strategies that are designed to capture market upside opportunities within client-specified and/or permitted investments within their guidelines. Some of these strategies will generally involve greater risk, and clients need be aware that there is a chance of capital loss using any of those strategies.

In summary, investing in just about any security involves risk of loss that you, as a client, need to understand and be willing to tolerate.

C. Risks of Specific Securities Utilized:

Cypress generally invests in securities that are government guaranteed and will provide the client with specific cash-flow needs or return profile. Cypress will also, at the client's discretion, invest in securities that can achieve a more aggressive goal, which will in turn increase the total risk of the portfolio. Cypress generally does not involve client portfolios in unusual risky strategies, and usually recommends very conservative strategies that focus on the protection of principal. As a consequence, the risk of the securities is weighed heavily against the chance of capital losses.

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 Cypress or the integrity of Cypress' management. Cypress has no information applicable to this Item.

Item 10: Other Financial Industry Activities and Affiliations

Cypress has no other financial industry activities and affiliations.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Cypress 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
- Prohibition on insider trading
- Prohibition of rumor mongering
- Restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items
- Personal securities trading procedures, among other things

All supervised persons at Cypress must acknowledge the terms of the Code of Ethics annually, or as amended.

In appropriate circumstances and consistent with clients' investment objectives, Cypress may recommend investing in securities in which Cypress, and/or its employees have a position of interest. Cypress' employees and persons associated with Cypress are required to follow Cypress' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Cypress and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Cypress' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Cypress 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 Cypress' 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, to reasonably prevent conflicts of interest between Cypress and its clients.

In order to achieve best execution, certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. In such circumstances, the affiliated and client accounts will

share commission costs equally, and receive securities at a total average price. Cypress 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.

Cypress' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting us at 434-202-8295 or info@cypressam.com.

Item 12: Brokerage Practices

Cypress has authority to determine, without obtaining specific client consent:

- The securities to be bought or sold
- The amount of the securities to be bought or sold
- The broker or dealer to be used
- When applicable, the commission rates paid

Cypress does not suggest brokers to clients. Cypress selects the dealers it believes provide the best price and execution, but may also consider other research services furnished by such dealers. These research services may be used to benefit all Cypress clients. As a matter of policy, Cypress does utilize third party research, and research-related products using commissions generated from trades that are executed on behalf of clients – also known as soft dollar commissions. Cypress believes it is in the best interest of the client for Cypress to utilize commission dollars to purchase third party research and analysis. Cypress uses soft-dollar benefits to pay for financial analysis and information such as that provided by

Bloomberg, and BondEdge. Cypress uses soft-dollar benefits to purchase research from Gimme Credit, Yardenni Research, and Creditsights. The soft-dollar benefits are used to service all of Cypress' clients. Cypress does not allocate soft-dollar benefits to client accounts proportionately to the soft-dollar credits the account generates. Soft Dollar Policy and procedures are outlined in Cypress' Investment Policy and Procedures Manual.

Item 13: Review of Accounts

Cypress reviews accounts periodically and no less than once a week. Accounts are reviewed by the primary portfolio manager. Accounts may also be reviewed after large market moves, or critical events that may have an impact on the securities in the portfolio. Clients receive monthly reports which provide security holdings, summary of investments, purchase and sales, and realized gains and losses. On a quarterly basis, clients receive more detailed information, including the performance, or total return of the account. If requested, clients can receive reports daily. Cypress will also customize reports to meet individual client needs.

Item 14: Client Referrals and Other Compensation

Cypress does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to Cypress clients. Currently, Cypress does not directly or indirectly compensate any person who is not affiliated with Cypress. Should Cypress enter into agreements with third parties to solicit clients for Cypress, whereby the third party receives compensation for such services, then the structure of the third party solicitation agreement

will be disclosed to the client. At such time, Cypress would make certain that the solicitor is free and continues to be free of any convictions regarding securities activities as defined by the SEC rule 206(4)-3.

Item 15: Custody

Clients should receive at least quarterly statements from the broker dealer, bank, or other qualified custodian that holds and maintains clients' investment assets. Cypress urges you to carefully review such statements and compare such official custodial records to the account statements that it may provide to you. Cypress' statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16: Investment Discretion

Cypress 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, Cypress observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Cypress' 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 Cypress in writing.

Item 17: Voting Client Securities

Cypress Asset Management, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices.

Our policy and practice includes:

- monitoring corporate actions
- receiving and voting client proxies
- disclosing any potential conflicts of interest
- availing information to clients about the voting of proxies for their portfolio securities, and
- maintaining relevant and required records.

Cypress Asset Management has adopted procedures to implement the firm's policy; it reviews and monitors the policy to ensure that the firm's policy is observed, implemented properly, and amended or updated, as appropriate.

Upon request, clients may obtain a copy of Cypress' complete proxy voting policies and procedures. Cypress' proxy voting history on behalf of a client's account(s) is also available.

Item 18: Financial Information

Registered investment advisers are required to provide you with certain financial information or disclosures about Cypress' financial condition. Cypress 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.

Item 19: Requirements for State-Registered Advisers

Not Applicable

FORM ADV, PART 2B: Brochure Supplement

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Item 1: Cover Page

This brochure supplement provides information about Xavier J. Urpi that supplements the Cypress Asset Management, Inc. brochure. You should have received a copy of that brochure. Please contact Cypress Asset Management in Charlottesville if you did not receive its brochure, or if you have any questions about the contents of this supplement. Additional information about Xavier J. Urpi is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Educational Background and Business Experience

Mr. Xavier J. Urpi	
Year of Birth:	1955
Education:	<i>Courant Institute of Mathematical Sciences at New York University:</i> <ul style="list-style-type: none"> • BA, Mathematics & Computer Science <i>New York University Graduate School of Finance:</i> <ul style="list-style-type: none"> • Attended the Leonard N. Stern School of Business
1995-Present	<i>Founder, President and Chief Investment Officer</i> Cypress Asset Management, Inc.
1989-1995	<i>Director, US Fixed Income</i> Smith Barney Capital Management
1978-1989	<i>Senior Portfolio Manager</i> Lehman Management

Item 3: 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 each supervised person providing investment advice. No information is applicable to this Item.

Item 4: Other Business Activities

No Cypress professional is engaged in any other current or proposed business activities.

Item 5: Additional Compensation

There are no economic benefits to the person in Item 1 from any entity who is not a client.

Item 6: Supervision

The person in Item 1 is the sole person providing advice to clients; therefore, no supervision is provided by anyone else in the firm.

Item 7: Requirements for State-Registered Advisers

The person in Item 1 has NEVER been involved in any of the events listed below.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;
 - c. theft, embezzlement, or other wrongful taking of property;
 - d. bribery, forgery, counterfeiting, or extortion; or
 - e. dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - a. an investment or an investment-related business or activity;
 - b. fraud, false statement(s), or omissions;

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- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

The person in Item 1 has never been the subject of a bankruptcy petition.