



Estep Capital Management

4949 Antioch Church Rd

Matthews, NC 28104

(704) 995-2935

January 2012

This brochure provides information about the qualifications and business practices of Estep Capital Management. If you have any questions about the contents of this brochure, please contact us at (704) 995-2935. 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.

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A) Advisory Business

Estep Capital Management was founded in 2005 by principal owner Andrew Estep and manages general investment advisory accounts not involving supervisory services.

Investment guidance is tailored to our clients' objectives and risk tolerance. Clients may impose restrictions on investments in certain securities or types of securities. No wrap fee programs are utilized. Approximately \$31 million in assets is managed on a discretionary basis as of 12/31/2011.

B) Fees and Compensation

Estep Capital does not accept any compensation of any kind from recipients of client investments. The firm's interests are aligned with the client's. There are no commissions, loads, surrender fees, or sales charges. The firm charges an annual percentage of average assets under management only:

<\$500,000 3% annual management fee

>\$500,000 1.5% annual management fee

In some circumstances these fees may be negotiable. Fees are deducted from client accounts on a quarterly or annual basis. The fee is determined by averaging the month end account balances within the preceding billing period.

Clients may be responsible for certain nominal fees or commissions charged by the firm's clearinghouse. For example a stock trade may be approximately \$10 commission and an overnight distribution check a \$15 FedEx fee.

Clients have the option of purchasing recommended investments through other entities not affiliated with Estep Capital Management.

C) Clients

Clients of the firm consist of businesses, trusts, and individuals. There is a minimum \$100,000 account balance. In some circumstances this may be negotiable.

D) Risk of Loss

The firm recommends investments it believes are well suited for each client's future goals and risk profile. There is a risk of significant loss of principal in the equities markets.

E) Disciplinary Information

Estep Capital Management has never been convicted of any felony or misdemeanor. The firm has never pled guilty or no contest to any felony or misdemeanor. The firm has never been named the subject of a criminal proceeding. The firm has never been found to have been involved in any violation of an investment related statute. The firm has not been the subject of any order, judgment, or decree permanently or temporarily enjoining its investment related activities. The firm has not been the subject of any proceeding before the SEC or any other federal regulatory agency.

F) Other Financial Industry Activities

Estep Capital Management is not a broker-dealer and does not have any pending broker-dealer applications. No management persons are registered as futures commission merchants, commodity pool operators, or commodity trading advisors. President Andrew Estep is a licensed real estate broker and may benefit from soliciting clients to invest in real estate. This benefit is fully disclosed in advance of any investment.

G) Code of Conduct

Estep Capital Management adheres to a strict code of conduct. The firm meets its fiduciary obligations by always putting the interests of its clients first.

H) Review of Accounts

All accounts are reviewed on a quarterly basis.

I) Custody

Estep Capital Management uses a third party custodian to provide custody services including account statements. Clients should carefully review their statements.

J) Arbitration

The Client acknowledges and understands that Advisor does not and will not practice law or accounting in providing advice to the Client and that none of the fee for services relate to accounting or legal services. Client understands that if such services are necessary, it shall be the responsibility of the Client to obtain such services.

Client understands and accepts all investments inherently carry some risk and returns may be positive or negative. Client acknowledges that Advisor obtains information from a wide variety of publicly available sources. The recommendations made by Advisor will be based upon the professional judgment of Advisor and Advisor does not guarantee the results of any recommendation or any level of return. Advisor shall not be liable for any act or failure to act except for negligence, willful misconduct, or bad faith. This is not to be deemed a waiver, by Client, of compliance of Advisor with any applicable federal or state securities laws.

Client agrees, and by acceptance of this agreement, Advisor agrees, that all controversies which may arise between Client and Advisor or any of its employees, agents, or representatives concerning any transaction arising out of or relating to the Client account or the construction, performance, or breach of this agreement or any other agreement between Client and Advisor whether entered into prior, on, or subsequent to the date hereof, shall be determined by arbitration in North Carolina in accordance with the rules, then in effect, of the American Arbitration Association, except where waiver of the right to seek a judicial forum would be prohibited under Federal Securities laws.