



MVCapital
MANAGEMENT

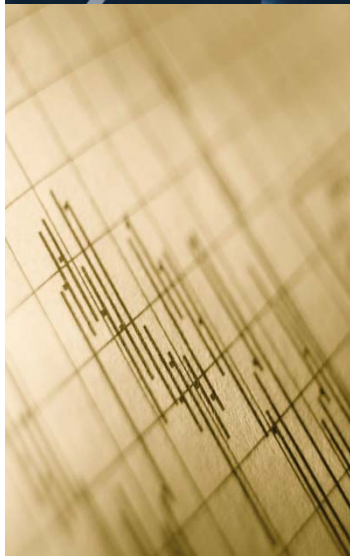


Form ADV Part 2A

March 29, 2012



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Throughout this document MV Capital Management, Inc. will be referred to as "MVCM."

This brochure provides information about the qualifications and business practices of MVCM. If you have any questions about the contents of this brochure, please do not hesitate to contact us at (301) 656-6545. 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 MVCM is also available at www.adviserinfo.sec.gov.

Although MVCM is registered as an investment adviser under the Investment Advisers Act of 1940, this registration does not imply that MVCM or our personnel have a certain level of skill or training.

Item 2: Material Changes:

This Firm Brochure, dated March 29, 2012, provides you with a summary of MV Capital Management, Inc.'s (MVCM) advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide our clients with a summary of new and/or updated information; we will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: We are required to update certain information at least annually, within 90 days of our firm's fiscal year end (FYE) of December 31. We will provide you with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of our FYE or we will provide you with our revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in our operations occur, depending on its nature we will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to our advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following summarizes new or revised disclosures based on information previously provided in our Firm Brochure dated July 6, 2011:

- MVCM has terminated its contract for use of the iRebal program for rebalancing of client accounts with TD Ameritrade. All reference to the iRebal program has been removed.
- MVCM has included disclosure for fees paid to F-Squared Investments, Inc. for access to its AlphaSector™ Premium Index trading signals.
- Prior reference to an office located in Atlanta, GA has been removed due to the advisor in that location electing to leave MVCM. This includes an update to the Brochure Supplement reflecting the change in personnel.

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Item 4: Advisory Business:

MV Capital Management, Inc. ("MVCM") is a fee-only Registered Investment Advisor ("RIA") under the corporate umbrella of MV Financial Group, Inc. ("MVFG") located in Bethesda, MD. Our primary business is the management of investment portfolios on behalf of a clientele of nonprofit institutions and high net worth individuals. Masood Vojdani is the President and owner of MVCM with over 30 years of experience in the financial industry. As of December 31, 2011, we had \$341,434,243 total assets under management of which \$339,996,306 was managed on a discretionary basis.

At MVCM our mission is to provide unparalleled service, uncommon thinking and uncompromising standards in delivering investment management strategies and solutions tailored to the unique circumstances of each and every client. To accomplish this mission we have invested a great deal of time and effort into developing a unique complement of core competencies:

- A **client service** approach that focuses on the specific, unique needs of each client and develops an investment policy customized to the client's return objectives, risk tolerance and special circumstances.
- An in-house **research and development** practice aimed at distilling the complexities of the modern global capital marketplace into innovative, practical investment strategies and solutions.
- An **independent** advisory and execution platform from which to offer conflict-free advice where our sole incentive is the financial success of our clients.

Our investment portfolios are constructed from a range of financial instruments that seek to provide a diversified allocation across multiple asset classes. Because some types of investments involve certain additional degrees of risk, they will only be recommended and implemented when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability. Specific types of investments utilized may include: open-end mutual funds, closed-end funds, exchange traded funds, bonds, commercial paper, US Government securities, and/or US Government agency issues. Where appropriate, MVCM may also recommend the use of unaffiliated Private Money Managers to manage a portion of the recommended portfolio. Clients may impose restrictions on investing in certain securities or types of securities depending on their specific circumstances.

MVCM may also recommend the AlphaSector™ Premium Index as part a client's allocation where appropriate at no additional fee or trading cost to the client. The index is quantitatively driven and applies a weekly trading protocol to 9 Sector Select SPDR ETFs and an ETF representing 1-3 month Treasuries. The index has the potential to be invested in any combination of the 9 SPDRs including all 9 at the same time, a combination of the sector SPDRs and the Treasury ETF, or can be 100% invested in the Treasury ETF. In order to facilitate trading, a client's account will maintain approximately 1% in cash or cash equivalents and will generally be invested in the brokerage or custodian money market funds or equivalents rather than the Treasury ETF used by the index. MVCM pays a licensing fee to F-Squared Investments, Inc. for access to trading signals of this index.

We also provide our clients with a range of value-added strategic advisory services including employee benefits, such as healthcare and retirement planning, business valuation and continuity strategies, and developing philanthropic giving and estate planning strategies. Our advisors have extensive experience in the details of their practices as well as the broader vision of how to implement a plan of action in alignment with holistic strategic objectives.

Item 5: Fees and Compensation:

For providing asset management services, MVCAM and its associated persons will be compensated by an asset management fee that will be billed quarterly to the client, in advance. Fees charged for this service may or may not be offset by any commissions paid by the client to purchase securities. Fees are calculated and billed in advance at the beginning of each quarter based on the account valuation on the last business day of the previous quarter. Our asset management fees are calculated based on the following schedule:

<u>Account Assets</u>	<u>Fees</u> <u>% of Assets</u>	<u>Incremental</u> <u>Maximum</u>	<u>Total</u> <u>Maximum</u>	<u>Minimum</u> <u>Fees</u>
First \$250,000	1.50%	\$3,750	\$3,750	\$0
Next \$500,000	1.00%	\$5,000	\$8,750	\$3,750
Next \$250,000	0.75%	\$1,875	\$10,625	\$8,750
Next \$ 2,000,000	0.65%	\$13,000	\$23,625	\$10,625
Next \$ 2,000,000	0.50%	\$10,000	\$33,625	\$23,625
Next \$ 5,000,000	0.40%	\$20,000	\$53,625	\$33,625
Over \$10 Million	To be individually assessed.			

For clients utilizing the services of Private Money Managers, MVCAM offers a wrap fee schedule that takes into account the additional expenses associated with providing access to money managers, money manager fees, custodian transaction costs and administrative costs. Detail for these services and fees are included in Appendix 1.

Fees charged by MVCAM are negotiable in limited circumstances and situations at the sole discretion of MVCAM. The fees and commissions earned by MVCAM may be different from those earned by other advisers for similar services. MVCAM does not receive performance based fees on the basis of a share of either capital gains or capital appreciation on any portion of the portfolio.

The fee schedule above applies to new clients. Fee schedules for MV Capital Management's Asset Management program may change over time and some MVCAM clients may have a different fee structure based on the schedule agreed to at the time the relationship was established.

Either MVCAM or the client may terminate the relationship in accordance with the Client Agreement entered into by each party by giving written notice to the other. MVCAM agrees to refund all unearned pre-paid fees on a pro-rated basis and the client agrees to pay MVCAM any unpaid fees for services rendered to the date of termination. If the client terminates the relationship within five (5) business days of the date of signing the MVCAM client agreement, MVCAM agrees to waive any prepaid fees.

Because mutual funds and exchange traded funds pay advisory fees to their investment advisers and such fees are therefore indirectly charged to all holders of these fund shares, clients with mutual funds and/or exchange traded funds in their portfolios are effectively paying both MVCAM's fee directly and the management fee of the fund's adviser indirectly. It is further disclosed that MVCAM participates in the Prime Brokerage Service Program offered through all current custodians.

MVCAM may recommend that clients establish brokerage accounts with Fidelity Brokerage Services, LLC ("Fidelity"), Schwab Institutional ("Schwab") a division of Charles Schwab & Co., Inc. or TD Ameritrade Institutional ("TD Ameritrade") a division of TD Ameritrade, Inc. MVCAM is

not affiliated with Fidelity, Schwab, or TD Ameritrade. In order to arrive at an appropriate portfolio for a client, MVCM may employ various resources available through broker/dealers, third party consultants, Private Money Managers and advisors. The additional fees and commission expenses to the client that may apply due to these activities are described below:

- MVCM may recommend that a client invest in certain funds that charge front-end sales loads and/or 12b-1 fees if appropriate. Such fees are deducted from each fund's Net Asset Value (NAV) and as such would be an indirect expense to the client's account. When available, MVCM will select share classes of funds that are "no-load".
- MVCM may recommend where appropriate the purchase of securities, such as exchange traded funds or transaction fee mutual funds, which may incur trading costs imposed by the broker/dealer.
- MVCM may recommend the purchase of individual securities through third parties via the Prime Brokerage Service Programs referred to above. Assets remain in the custody of the broker/ dealer. The broker / dealer may charge a maximum of \$25 for each such transaction.
- MVCM may recommend the services of private money managers who may charge management fees that are separate from the asset management fee charged by MVCM. These fees are detailed in Appendix 1.

In addition to the aforementioned, there may be other miscellaneous costs to client accounts such as national securities exchange fees, charges for transactions with respect to assets not executed through the custodian, odd-lot differentials, American Depository Receipt fees, costs associated with exchanging currencies, wire transfer fees or other fees required by law. The custodians may also impose additional charges for special services elected by the client including periodic distribution fees, electronic funds and wire transfer fees, certificate delivery fees and reorganization fees.

Clients may choose to hold in their portfolio certain mutual funds and individual securities that are not recommended by MVCM. The client may request that such assets be included in the construction and management of client's portfolio. Under such circumstances, MVCM may charge management fees on such assets but will not be responsible for evaluating or monitoring such assets on a continuous basis.

We may also offer specialized planning services on specific issues or topics relating to the services described above such as business continuity, estate planning, or philanthropic strategies. In certain circumstances, usually areas in which MVCM does not specialize, MVCM may retain the services of outside consultants. In this case, MVCM may pay a portion of the fees it collects to this outside consultant.

Fees for these services vary depending the specific service requested and the complexity of the planning. Typically, this will be a flat fee, however, we may charge at an hourly rate where appropriate. MVCM may from time to time contract with outside professionals for fee based planning work and pay a portion of the planning fee to such professionals. The schedule for fee payment is negotiable with all or a percentage of the fee payable at the beginning of the planning process and the remainder, if any, payable at the completion of the plan. The entire fee is refundable if client expresses in writing their dissatisfaction with the plan and requests that the fee be refunded.

Should a client choose to implement through MVCM any or all recommendations proposed in plan, MVCM and its advisors may receive additional fees through our asset management program, commissions for securities products through Purshe Kaplan Sterling Investments, Inc., and commissions on insurance products sold through insurance companies with which MVCM and its advisors hold appointments.

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

Performance-based fees are fees that are based on the amount of growth in your accounts. MVCM does not charge or accept performance-based fees and we do not manage accounts which impose performance-based fees.

Side-by-side Management refers to fund managers that simultaneously manage mutual funds and hedge funds. MVCM does not engage in this practice.

Item 7: Types of Clients:

MVCM provides investment advisory service to the following types of clients:

- High net worth individuals
- Individuals other than high net worth individuals
- Pension and profit sharing plans (such as 401k, SEP, SIMPLE). This may include the plan itself as a standalone client and/or the participant(s) of the plan under a separate contract.
- Foundations and other charitable organizations
- Corporations or other business entities

A minimum account size of \$500,000 is required for asset management services. This minimum can be met by a single account or through the aggregation of multiple accounts held by the client alone, across multiple accounts within one household, or other aggregation arrangements that meet the initial minimum.

All clients must sign a Client Agreement, complete a Risk Propensity Questionnaire, sign an Investment Strategy Choice letter, and provide personal and financial information in compliance with the USA Patriot Act of 2001. If a client qualifies for and requests participation in MVCM's wrap fee program, completion of additional agreements with private money managers may be required.

Acceptance as a client for investment advisory services is at the sole discretion of MVCM and a prospective client may be declined even if all stated minimums are met.

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

Past performance is not necessarily indicative of future returns. To MVCM, this is more than the standard legal disclaimer – it attests to the unpredictability of the future and the fact that the world around us is changing. Our approach to investing for long-term success is built upon values that our professional team members adhere to in all market environments:

- A changing world requires the *intelligence* and *agility* to anticipate and prepare for the unforeseen by constantly challenging our assumptions regarding the economic, geopolitical and socio-cultural influences that affect the risk and return characteristics of asset classes and investment choices. The world economy is currently in the early stages of a new phase of global capitalization that requires a fresh look at the twin sides of opportunity and risk.

- Successful investing requires the *patience* and *discipline* to manage a long-term strategy in the face of short-term fads and flavor-of-the-month approaches. The siren songs of greed and fear lead to unwise investment decisions. We help our clients resist the natural temptation to act on emotion and maintain fidelity to a strategy best suited to their individual goals, tolerances and circumstances.

Markets change and opportunities change. Our commitment to the success of our clients does not change.

Long-term investment success requires a deep understanding of fundamental portfolio value drivers and the ability to translate that understanding into a sustained process. Portfolio value drivers change in the face of short-term economic and geopolitical variables – X-factors – and evolve structurally over time as long-term global developments affect the interplay between different asset classes, sub-classes and the means of exposure thereto.

Investing in securities inherently involves the potential for loss. Only after extensive discussions with our clients, gathering of relevant financial and personal information regarding their overall situation, and review of our subsequent recommendations do we begin to invest client assets. Our portfolios are tailored to each client to best match their tolerance for volatility and risk with a diversified allocation of assets that is designed around their expectations. At no time do we guarantee returns or that any given portfolio will outperform the markets in general at all times.

Philosophy and Approach:

A central tenet of our thinking is that there is no single, right investment wisdom. Rather there exists a mix of alternative “wisdoms”, each of these being grounded in a philosophy, a science, a formula, an intuition, a psychological observation or other basis for viewing the market in a specific way. We work best by being open to all these views and distilling them into a strategic decision-making framework, which decisions we carry out through a disciplined, rational process by our in-house professional team. We always go back to challenge our original assumptions, rethinking and repositioning according to our views on capital markets and our clients’ evolving goals, tolerances and specific circumstances.

Strategic Framework:

At the core of our strategic framework is a three-fold investment process. The center of the process is beta-efficient asset class exposure according to our strategic (long-term) views on the major existing style classes across equities, fixed income and alternative assets. Flexible alpha is how we define our strategy for seeking excess returns. We term it “flexible” because where, when and how alpha may be achievable varies with capital market conditions and with our own abilities to source it either through the strategy of a particular money manager or through our own proprietary research, knowledge and models. Finally, peripheral positioning is a process by which we further refine our return-risk-correlation positioning through approaches such as sector, country or region overlays.

Consistent with our belief that there is no single “right” approach we employ both top-down and bottom-up methodologies. Top-down models are particularly important when considering the evolving structure of world markets and particularly the changing roles and texture of regional capital, consumer, service and manufacturing markets. On the other hand the relationship between any given asset’s intrinsic value and its price in the market is driven by fundamental measures such as normalized cash flows, asset quality and capital structure. In our opinion there is strong evidence that different assets and even asset classes can demonstrate both

short-term and systematic anomalies between price and value, and we look for effective ways to capture those anomalies when they exist.

X-factors are the short-term, unpredictable events that bring volatility to markets and risk assets. At any time we may have knowledge of potential X-factors – hurricanes, terrorist attacks, credit market defaults – but very little ability to predict their actualization or the likely magnitude of their effect.

Event testing based on historical scenarios can help us prepare for X-factors but not with any predictive ability. Market tectonics, on the other hand, refers to changes that happen more gradually and affect the market's underlying structure much in the way that geological plates do – they can creep along for years without notice and suddenly collide and cause massive disruption. We study market tectonics with a view towards understanding trends and positioning ourselves to benefit from them over the long term.

We are not short-term traders. Generally speaking we believe the cost of executing multiple transactions in a very short-time period outweighs the potential benefits. We are also not passive buy-and-hold investors. Our experience and our view of the road ahead show that significant opportunities exist to obtain favorable returns through a dynamic mix of asset allocation discipline, selective alpha hunting and ongoing refinement and customizing of our risk exposure.

Strategic Asset Allocation:

MVCM believes that strategic asset allocation is our single most important strategic decision given its high level of attribution in explaining overall investment performance. Strategic allocation is driven by two primary considerations: the client's capacity and propensity for assuming risk, and our long-term views on the risk, return and correlation relationship between different asset classes. We use both risk and style benchmarks as tools to measure our strategic and tactical allocation and our investment selection decisions.

Tactical Asset Allocation:

Our tactical decisions tend to reflect shorter-term views and lead to changes more frequently than strategic decisions. We employ tactical decisions at least on a one-year basis through re-weighting our asset class exposures, typically in the same time frame as our annual systematic rebalancing. Each December our investment committee goes through an extensive review of top-down and bottom-up factors and arrives at a consensus view for tactical weights. Tactical decisions are not limited to the annual rebalancing and reweighting process, however. We make active use of shorter-term overlay strategies, for example in industry sectors, countries or world regions. We may also make tactical decisions in certain areas such as fixed income duration exposure in line with our bond and credit market views.

Investment Selection:

Central to the investment selection process is a core discipline that constantly asks: are we employing all of the best opportunities at hand to deliver the strongest portfolio returns? Mutual funds and money managers employ security-selection techniques to maximize their returns to benchmark, and we employ similar techniques in evaluating managers. This entails a constant evaluation process of our investment choices and of the percentages we allocate to mutual funds, private money managers (PMMs), exchange-traded funds (ETFs), customized products and other investment vehicles.

The universe of competing investment vehicles is constantly expanding, offering cost-effective alternatives to obtaining increasingly precise exposure to desired asset classes, sub-classes and markets that have traditionally been difficult to reach. At the same time we maintain strict internal standards of compliance in evaluating the suitability of any particular product for a given portfolio. When selecting active money managers and funds we require a tenure of at least five years for the principal portfolio manager and we undergo an extensive initial and ongoing due diligence using proprietary evaluation models in addition to interviews, document reviews and ongoing performance monitoring.

As part of the due diligence and information gathering process on mutual fund and private money managers, MVCM also conducts telephone interviews, spot on-site visits, and participates in teleconferences sponsored by companies. We also make use of Zephyr StyleADVISOR and Morningstar Office software programs used by many investment professionals to analyze investment managers, mutual funds, financial markets, and investment portfolios. It is our practice to review a wide range of materials from various news outlets, websites, white papers, and third-party analysts to broaden our knowledge on specific investment vehicles, markets, and economic conditions to assist in our recommendations.

Monitoring, Rebalancing, and Communications:

Rebalancing is designed to periodically bring a portfolio's asset class weights back in line with the original policy portfolio. As a rule of practice we perform a strategic rebalancing on an annual basis (i.e. one year from the date on which the model portfolio was fully invested). Rebalancing is a discipline shown to have significant benefits to investors over the long term.

On certain occasions portfolio weightings may move significantly out of line with the model as a result of capital market developments within the usual one-year rebalancing period. We retain the flexibility to react to such changes and take action if circumstances suggest. However, we do not maintain a strict percentage-of-portfolio threshold for making rebalancing decisions. On the basis of ongoing monitoring and the availability of significant-variance reports we will make a qualitative consideration as to the need to conduct interim systematic rebalancing.

We meet with our clients at a minimum of once per calendar year. In the event that unforeseen circumstances prevent a meeting in person, such meeting will be conducted by a teleconference or videoconference call.

Each client shall receive a monthly (or, at minimum, quarterly) statement from the portfolio's custodian (Fidelity Brokerage Services, LLC, Schwab Institutional, TD Ameritrade Institutional or others as the case may be) that lists all assets held, values for each asset, and all transactions affecting assets within the portfolio including all additions and withdrawals.

We will furnish the client with a report on a quarterly basis (at minimum) including the historical portfolio performance over time up to and including the most recent reporting period, and the status of end-of-quarter asset allocation. Our clients may contact us by telephone, email etc. as and when necessary.

Item 9: Disciplinary Information:

You are entitled to know and we are required to disclose any legal or disciplinary events involving MVCM or our management personnel that could be considered material to your evaluation of us, our advisory business, and the integrity of our management.

There are no legal or disciplinary events to disclose relating to MVCM.

Item 10: Other Financial Industry Activities and Affiliations:

MV Financial Group, Inc., ("MVFG") a related company, is licensed as a producer firm by various states. Advisors of MVCM hold insurance licenses in the areas of life, health and variable life and annuities in order to provide for the insurance needs of investment advisory clients.

Advisors of MVCM are registered representatives of the broker/dealer Purshe Kaplan Sterling Investments, Inc. ("PKS") member FINRA/SIPC. As such, advisors of MVCM can buy and sell securities for clients through PKS. A potential conflict of interest exists because advisors may receive commissions due to such activities. All clients are always advised that they are free to effect securities transactions with any broker/ dealer of their choice. MVCM is not affiliated with PKS and PKS has no involvement in the investment advisory business of MVCM.

Advisors of MVCM serve as appointed producers of companies with which they and their related persons may be appointed and licensed to do insurance business and may receive compensation from them paid through MVFG or through PKS for variable products. The amount of compensation depends on the product, product design, product features and benefits that are purchased and incorporated into an insurance program. As appointed producers, they may also receive various forms of additional compensation from them, including bonus compensation, recognition and other rewards depending on a number of factors, including the volume of business each producer does with a given insurer.

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

In July 2004, the SEC adopted an important rule (Rule 204A-1) similar to Rule 17j-1 under the Investment Company Act, requiring SEC advisers to adopt a Code of Ethics. The rule was designed to prevent fraud by reinforcing fiduciary principles that govern the conduct of advisory firms and their personnel.

Among other things, the Code of Ethics rule requires the following:

- setting a high ethical standard of business conduct reflecting an adviser's fiduciary obligations;
- compliance with federal securities laws;
- access persons to periodically report personal securities transactions and holdings, with limited exceptions;
- prior approval for any IPO or private placement investments by access persons;
- reporting of violations;
- delivery and acknowledgement of the Code of Ethics by each supervised person;
- reviews and sanctions;
- recordkeeping; and
- Form ADV disclosure.

MVCM has adopted a Code that establishes rules of conduct for all employees of MVCM and is designed to, among other things, govern personal securities trading activities in the accounts of employees, immediate family/household accounts and accounts in which an employee has a beneficial interest. The Code is based upon the principle that MVCM and its employees owe a

fiduciary duty to its clients and to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by MVCM continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both MVCM and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that the MVCM has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

MVCM and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client's transactions where MVCM is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client's individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, MVCM expects every employee to demonstrate the highest standards of ethical conduct where strict compliance with the provisions of the Code shall be considered a basic condition of employment. MVCM's reputation for fair and honest dealing with its clients has taken considerable time to build. A material breach of the provisions of the Code may constitute grounds for disciplinary action, including termination of employment with MVCM.

The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of MVCM in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with MVCM's Chief Compliance Officer ("CCO"). The CCO may grant exceptions to certain provisions contained in the Code only in those situations when it is clear beyond dispute that the interests of our clients will not be adversely affected or compromised. All questions arising in connection with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

MVCM has adopted the following principles governing personal investment activities by its supervised persons:

- The interests of client accounts will at all times be placed first;
- All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and
- Supervised persons must not take inappropriate advantage of their positions.

No supervised person shall acquire any beneficial ownership in any securities in an Initial Public Offering for his or her account, as defined herein without the prior written approval of the CCO who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the supervised person's activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts.

No supervised person shall acquire beneficial ownership of any securities in a limited offering or private placement without the prior written approval of the CCO who has been provided with full details of the proposed transaction (including written certification that the investment opportunity did not arise by virtue of the supervised person's activities on behalf of a client) and, if approved, will be subject to continuous monitoring for possible future conflicts.

No supervised person shall recommend any securities transactions for a client without having disclosed his or her interest, if any, in such securities or the issuer thereof, including without limitation:

- any direct or indirect beneficial ownership of any securities of such issuer;
- any contemplated transaction by such person in such securities;
- any position with such issuer or its affiliates; and
- any present or proposed business relationship between such issuer or its affiliates and such person or any party in which such person has a significant interest.

MVCM or its associated persons may buy or sell the same securities recommended to clients for their personal accounts. It is the expressed policy of MVCM that no person employed or associated with MVCM may purchase or sell any security prior to a transaction(s) being implemented for the advisory client's account in such a manner that would allow the associated person to benefit from the transactions placed on behalf of the advisory client's account.

All supervised persons shall promptly report to the CCO or an alternate designee all apparent violations of the Code. Any retaliation for the reporting of a violation under this Code will constitute a violation of the Code.

The CCO shall promptly report to senior management all apparent material violations of the Code. When the CCO finds that a violation otherwise reportable to senior management could not be reasonably found to have resulted in a fraud, deceit, or a manipulative practice in violation of Section 206 of the Advisers Act, he or she may, in his or her discretion, submit a written memorandum of such finding and the reasons therefore to a reporting file created for this purpose in lieu of reporting the matter to senior management.

Senior management shall consider reports made to it hereunder and shall determine whether or not the Code has been violated and what sanctions, if any, should be imposed. Possible sanctions may include reprimands, monetary fine or assessment, or suspension or termination of the employee's employment with the firm.

MVCM is firmly committed to making our employees and clients (both current and prospective) aware of the requirements within our Code. All of our employees are provided with a copy of our Code at the time of hire and annually thereafter. Each employee must affirm in writing that they have received a copy of the Code and that they have read and understand its provisions. Additionally, we conduct mandatory periodic compliance training that addresses the requirements of the Code and the other policies described in the ADV Part 2A. A copy of our Code is available upon request to all clients and prospective clients.

Item 12: Brokerage Practices:

MVCM has entered into relationships with Fidelity, Schwab and TD Ameritrade. We consider a number of factors in selecting brokers and custodians at which to locate (or recommend location of) our client accounts, including, but not limited to, execution capability, experience and financial stability, reputation and the quality of services provided. In the event that a client chooses to open an asset management account, it is likely that MVCM's associated person will suggest Fidelity, Schwab or TD Ameritrade, registered broker/dealers, to maintain custody of client's assets and to effect trades for their accounts. Fees that may be paid by the advisory clients to these custodians may be higher than those obtainable from other broker dealers for similar products and services.

A client may request that their account be held at another broker/dealer of their choice. In these cases, the client understands that by instructing MVCM to direct all transactions on behalf of the account through this broker/dealer, a disparity may exist between the commissions borne by the account and the commissions borne by MVCM's other clients that do not direct MVCM to use a particular custodian. By instructing MVCM to direct all transactions through a particular broker/dealer, the client may not necessarily obtain commission rates and execution as favorable as those that would be obtained if MVCM was able to place transactions with the other broker/dealers. In this case, the client also foregoes benefits that MVCM may be able to obtain for its clients such as negotiating volume discounts or block trades. Any client instructions to MVCM are to be in writing with appropriate disclosures that for any directed brokerage arrangements MVCM will not negotiate commissions, may not obtain volume discounts or aggregate directed transactions, that commission charges will vary among clients, and best execution may not be obtained.

MVCM's associated persons are registered representatives of Purshe Kaplan Sterling Investments. In the event that a client chooses to implement the advice of MVCM through such registered representatives, the Broker / Dealer may be Purshe Kaplan Sterling Investments. Commissions paid by the advisory clients may be higher than those obtainable from other Broker / Dealers for similar products and services.

MVCM and some of its associated persons are licensed to sell insurance products in various states for various insurance companies with which they are appointed. Clients are under no obligation to have MVCM's associated persons implement any recommendations. If asked to implement the recommendations, MVCM's associated persons may do so in whole or in part through products offered by Purshe Kaplan Sterling Investments and insurance carriers. To the extent MVCM's associated persons do implement the recommendations, they will be acting as agents for the broker/dealer and/or the insurance company. Although MVCM's advisors are registered representatives of Purshe Kaplan Sterling Investments, the advisory services provided are beyond the scope of employment with the broker/dealer. If insurance or securities products are purchased, commissions will be received by MVCM and its advisors. Clients have freedom to execute securities and/or insurance transactions with any appropriately licensed provider of their choice.

MVCM uses the services of Fidelity, Schwab and TD Ameritrade as outside custodians for asset management services. While there is no direct linkage between the investment advice given and participation in the program offered by these custodians, economic benefits are received which would not be received if applicant did not give investment advice to clients. These benefits include: brokerage, custody, research, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher

minimum initial investment. The custodians also make available to MVCM other products and services, at no cost or reduced cost, that benefit MVCM. Some of these other products assist MVCM in managing and administering Clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), pricing information, and other market data, access to compliance publications, facilitate payment of MVCM fees from its clients' accounts, and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of MVCM accounts maintained by the custodian.

The above benefits received by MVCM through participation in the outside custodian programs depend in part on a commitment by MVCM to maintain a specified amount of assets with the custodians. MVCM may be influenced by this commitment in recommending or requiring that clients' establish brokerage accounts at these custodians. MVCM places trades for its clients' subject to its duty of best execution and other fiduciary duties. The execution quality that is obtained through the above custodians may be different than other broker dealers. The above benefits do not depend upon the amount of transactions directed to the custodian.

For MVCM accounts maintained in custody, the custodians generally do not charge separately for custody but are compensated by account holders through transaction related fees for securities, participation fees paid by fund companies for inclusion on their platforms among other arrangements.

MVCM has entered into an Investment Advisor Custodial Support Services Agreement with Fidelity by which MVCM has agreed to provide to Fidelity certain back office, administrative, custodial support and clerical services and in consideration for these services, Fidelity has agreed to pay MVCM a quarterly fee of 8 basis points of specified assets – namely NTF mutual fund assets (other than Fidelity mutual funds) in custody with Fidelity and held in specified account registrations. The services that MVCM has agreed to provide include the following: clerical and ministerial assistance in opening client accounts, clerical and ministerial assistance in maintaining client accounts and facilitating asset transfers and money movement directed by a client, clerical and ministerial assistance in reconciling and assisting in updating of client account information, clerical and ministerial assistance in connection with customer inquiries and account information research, clerical and ministerial assistance to clients in connection with the use of brokerage services such as periodic investment plans, periodic withdrawal plans, and check writing privileges, promptly notifying Fidelity in writing of any written customer complaint relating to Fidelity's services and other shareholder services as the parties may agree in writing from time to time.

A potential conflict of interest exists because MVCM has many choices for custodial and brokerage services for its clients. MVCM may have incentive to select Fidelity as custodian and for execution of trades arising from receipt of the above fees and other benefits from Fidelity. Also, MVCM may have incentive to favor non-Fidelity mutual funds in accounts on which Fidelity's fee payment is based. To minimize this conflict, MVCM's investment committee makes investment selections of mutual funds based on a systematic process that looks at the total mutual fund universe and chooses mutual funds and among other securities that best meet the needs of our clients in accordance with MVCM's written policies and procedures. In addition, to minimize this conflict, Fidelity and MVCM agree that any payments made by Fidelity to MVCM pursuant to the Investment Advisor Custodial Support Services Agreement are not in connection with the sale or distribution of any investment product and that MVCM is under no obligation to recommend Fidelity as a custodian to clients.

MVCM participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent and unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers to independent investment MVCM's services which include custody of securities, trade execution, clearance and settlement of transactions. MVCM receives some benefits from TD Ameritrade through its participation in the program.

MVCM participates in TD Ameritrade institutional customer program and may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between MVCM's participation in the program and the investment advice it gives to its Clients, although MVCM receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to MVCM by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by MVCM's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit MVCM but may not benefit its Client accounts. These products or services may assist MVCM in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help MVCM manage and further develop its business enterprise. The benefits received by MVCM or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, the firm endeavours at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by MVCM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence MVCM's choice of TD Ameritrade for custody and brokerage services.

Item 13: Review of Accounts:

Asset management account reviews are made by the advisor for the client. These reviews are generally made quarterly and at least annually. Economic and market variables are combined and analyzed on an ongoing basis to evaluate the account. Advisors meet with clients at least annually to review their accounts and determine if there have been any material changes in the client's circumstances that suggest that changes should be made to the client's asset allocation. At least annually the investment committee will review asset allocation models to determine if any adjustments are needed due to any changes in economic and market conditions. A client may request a review on a more frequent basis.

Clients in MVCM's asset management program receive a monthly statement and trade confirmations from the custodian of the accounts. The statements provide the clients with a detailed record that reflects current portfolio holdings and balances as well as transactions made within their accounts during the prior month.

MVCM also provides clients with reports, quarterly and at the end of each calendar year, created by Schwab Performance Technologies, a third party provider not affiliated with MVCM. Schwab Performance Technologies uses PortfolioCenter™, a third party software program, which details holdings, asset allocation, cost basis, and performance information. The reports are based on account information including, but not limited to, client positions, transactions and balances provided by the custodian of the assets and believed to be accurate.

After the end of each quarter, clients receive a detailed fee statement from MVCM for the next quarter's fees payable in advance.

Item 14: Client Referrals and Other Compensation:

It is MVCM's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is MVCM's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15: Custody:

MVCM does not take custody of your securities or accounts. This means we do not have the ability to withdraw, transfer or otherwise move your securities or cash to a third party's account or to our account. However, with your written consent, we may deduct our fee from your account.

We may deduct our fees from your account only when the following conditions are met, as required by regulation: 1) you give written permission to the custodian to deduct fees at the written direction of us; 2) you and the custodian receive concurrently the fee amount to be deducted, and 3) the custodian's quarterly statement shows deduction of our fee in the listing of the account's disbursements.

You will regularly receive statements on your accounts directly from the custodian. You should carefully review these statements and compare them with billing statements that we send you quarterly. You should especially check the accuracy of all deposits and withdrawals in your accounts.

Item 16: Investment Discretion:

MVCM may exercise discretion on most accounts. Clients are made aware of, and authorize, this discretion when opening their accounts. Advisors have discretion to decide what securities, the amount of the securities, and when the securities are bought and sold. These decisions are made with the guidance of MVCM's Investment Committee and in accordance with the clients stated risk tolerance, financial profile and investment objectives. This authorization/access does not allow us to transfer funds to a third party or to ourselves, except we may deduct our fees if you have given us this authorization in writing.

Before we assume this role we will present and discuss with you our specific recommendations to your investment program. In most cases this will be completed before we proceed to securing discretionary authority. If we are not able to secure discretion on an account, such as for an employer sponsored retirement plan, we will provide you with our recommendations and you will be responsible for executing them in a timely manner.



Item 17: Voting Client Securities:

MVCM is not authorized to, and will not, take any action or render any advice with respect to the voting of proxies in any client account. MVCM will not advise or act for clients in any legal proceedings, including bankruptcies or class action, involving financial instruments held or previously held in client's portfolio.

In the event all or a portion of a client's portfolio is invested with a Private Money Manager, the client may elect in writing to the Custodian to have all proxy and related materials forwarded to the Private Money Manager and to accept the Private Money Manager's votes regarding such proxies on their behalf. In the absence of instructions to the contrary, the client will receive proxy and related materials issued by the companies in their portfolio, and will be responsible for voting these proxies.

Item 18: Financial Information:

As an advisory firm that maintains discretionary authority for client accounts, we must disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. MVCM has no additional financial circumstances to report.

MVCM has not been the subject of a bankruptcy petition at any time during the past ten years.

Form ADV Part 2B: Brochure Supplement:

Masood Vojdani, President

Masood, born in 1958, has spent a career of 30 years to date building and growing a successful investment business that has evolved into the present form of MV Financial Group. He founded Capital Management in 1986 and from there built an increasingly sophisticated infrastructure to support the needs of his growing base of clients. Masood's relentless focus on setting a standard of excellence and delivering this standard to each client has brought the firm to where it is today.

Masood graduated with honors from American University with a Computer Science and Statistics degree in 1981.

Mark E. Underwood, VP of Compliance

Mark, born in 1969, began his career in the Private Client Service group of Arthur Andersen helping high net worth individuals, business owners and families. He came to MVCM in 2002 with experience in tax planning and preparation, investment advisory, and wealth management. Mark is responsible for a broad range of specialist planning and analytical functions on behalf of our clients. As head of compliance, Mark ensures that our firm keeps abreast of and always complies with the rapidly evolving regulatory infrastructure governing the financial services industry. He ensures that our firm, our employees and our clients enjoy the benefits of a smooth regulatory process and a productive working relationship with the SEC and other regulators.

Mark earned his Bachelor's degree in Finance with a concentration in Risk Management from Virginia Tech's Pamplin School of Business.

Kedest Baharu, Senior Client Service Advisor

Kedest, born in 1972, joined MVCM in 1998 and is responsible for providing the highest quality for all client service activities including transactions, statements, account changes, billing and related activities. Kedest has set the standard for a zero-defect level of total client service, attending to and anticipating their needs and gaining their full trust and confidence.

Kedest graduated with honors from American University in 1998 with a B.S. in Business Administration and International Finance.

Katrina V. Lamb, CFA, Senior Investment Analyst

Katrina, born in 1962, started her finance career in 1985 with Morgan Stanley in New York, and went on to enjoy a career in a range of capacities including investment banking, venture capital and portfolio management. She has lived and worked in a number of developed and emerging marketplaces in the Asia Pacific Region and Central & Eastern Europe. Katrina is a CFA® charterholder and at MVCM she makes full use of her knowledge of investments and portfolio analysis to oversee rigorous standards, practices and policies for investment management.

Katrina earned her Bachelor of Arts degree in English Literature with honors from Dartmouth College, later returning to Harvard University's Graduate School of Business Administration to earn her MBA degree in 1990.

Joseph Potosky, CLU, ChFC, Director of Group Benefits

Joe, born in 1958, has been in the financial service industry for 20 years and has strong expertise in the field of employer provided group benefits. While the plans provided by an employer are usually seen as a benefits package provided to employees, from Joe's perspective they are the foundation of an employee's financial plan. In addition, Joe has a keen understanding of how an employer can design plans specifically oriented to the unique needs of key executives.

Joe is a *cum laude* graduate in Finance from the University of Maryland, College Park where he also earned an MBA and law degree. Joe's professional designations include the Chartered Life Underwriter (CLU) and Chartered Financial Consultant (ChFC) designation from the American College and a Chartered Benefit Consultant designation from the NAABC.

Christopher C. Schaefer, CFP®, CPA, Financial Advisor

Chris, born in 1976, began his career as a CPA in the Assurance and Business Advisory Services group at PricewaterhouseCoopers, LLP helping publicly traded companies with specialized auditing and consulting services. Chris brings his experience in tax planning and preparation, business planning techniques and general business operations to help privately held companies and their owners design and execute business continuity and exit strategies.

Chris earned his Bachelor in Business Administration degree from Loyola College and an Executive Certificate in Financial Planning from Georgetown University.



Anabel Quintero, Financial Advisor

Anabel, born in 1968, began her career in the financial services industry in 1995 when she joined MVC. She specializes in working with business owners and pre-retirees as an investment advisor. Her wealth management process includes the construction, execution and monitoring of investment portfolios. Anabel has a bilingual background and has used her Spanish fluency to work with organizations in the Metropolitan Washington DC area.

Anabel earned a Bachelor of Arts degree in Economics from the University of Maryland. She was a member of Omicron Delta Epsilon, an Economics Honor Society at the University.

Disciplinary Information, Other Business Activities, and Additional Compensation:

There are no legal or disciplinary events to disclose for any of the officers, advisors, or employees of MVC as listed above to report. None of these individuals are involved in other outside business activities or receive additional compensation not disclosed in this document.



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MVCM Privacy Policy:

Your privacy is very important to MV Capital Management, Inc. and MV Financial Group, Inc. We realize that your relationship with us is built on trust. Preserving that trust is our goal. That is why we take every reasonable precaution to safeguard your personal information. This document describes our privacy practices.

What personal information do we collect and why?

We collect personal information about you in order to offer insurance and financial products and services, administer our business, perform statistical analysis, and comply with all applicable laws and regulations. The type of information we collect depends on the type of product and services you purchase.

We may collect personal information about you, such as:

- Information we receive on applications or other forms, such as name, address, social security number, assets, income and beneficiaries;
- Information about your transactions or experiences with us and our affiliates as outlined in this notice; and
- Information we receive from credit reporting agency and other companies such as, credit worthiness or credit history, medical claims and medical history.

What information may we disclose?

As permitted by law, we may disclose the above listed information to affiliates, companies that perform marketing or administrative services on our behalf or other financial institutions with which we have joint marketing agreements.

We do not share medical information, except with your prior consent or authorization. Such information would only be shared to the extent needed to process; your transactions, underwrite a product, or as permitted by law.

To whom may we disclose personal information?

As permitted by law, we may disclose some or all of the information we collect to affiliates and non-affiliated third parties such as:

- Companies that perform services for us or on our behalf (such as vendors we hire to respond to customer requests and provide you with information about our products or services); or
- Financial institutions (such as banks, insurance companies, securities brokers or dealers with whom we have marketing agreements).

Is access to nonpublic personal information restricted?

Yes. We restrict access to your nonpublic personal information to only those employees who have a legitimate business need to know in order to provide products or services to you. Our employees are educated and trained to adhere to strict confidentiality standards in order to protect your personal information and sign a Confidentiality Agreement at the time of hire. Any employee who violates such confidentiality standards is subject to discipline. We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information.

When information is disclosed to a third party in connection with the marketing or administration of our financial products and services, those organizations are required by contract to keep this information in confidence with procedures and practices at least as strict as those that we have established for our company.

What should you do if you discover an error in your record in any communication you receive from us?

Reasonable care will be taken to keep pertinent records current, complete and accurate. Procedures are in place to correct any errors that are brought to our attention. If you see any inaccuracy in your statements or in any other communication from us, you can report these errors by calling your advisor or calling our main number at 301.656.6545.

What happens to your information when you are no longer our customer?

Information about former customers is kept for the period of time required by our Records Retention Policies. During this period of time, the information is not disclosed except as required or permitted by law.

What happens if we revise our information sharing practices?

We reserve the right to modify or supplement this Privacy Policy at anytime. If we make material changes, we will provide you with a revised notice that describes our new practices and will give you a reasonable opportunity to opt out of the disclosure of information under the revised Privacy Policy.



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