

Blue Edge Capital, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Blue Edge Capital, LLC (“BEC”). If you have any questions about the contents of this brochure, please contact us at 804-673-7401. 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 BEC is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

Blue Edge Capital's most recent update to our Part 2A and Part 2B of Form ADV is March 2013. In September 2012, we updated the Part 2A to cover changes to Fees and Compensation. BEC's business activities have not changed materially since the time of that update. The updates made to this brochure cover changes to Assets Under Management and the removal of the section Requirements for State Registered Advisors as Blue Edge Capital has transitioned to SEC registration with the submission of this brochure and ADV Part 1 March 2013.

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Advisory Business

BEC provides customized investment management services on a discretionary basis to individuals, family offices, family & charitable trusts, profit sharing plans, corporations and high net worth clients. After discussions around risk tolerance, investment time horizon, asset allocation and income requirements, among other things, BEC investment professionals will discuss investment options appropriate and suitable to the client based on the client's investment needs. Client assets are generally invested using a passive exchange traded fund ("ETF") strategy but may also hold stocks, bonds, mutual funds, and other types of securities. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, etc.), and all managed accounts will be maintained with an independent custodian. Clients can impose reasonable restrictions on our management of their accounts as long as the investment restrictions fit within our investment strategies. For example, some clients have asked us not to sell certain securities where the client has a particularly low tax basis.

BEC, founded in 2010 as a Virginia limited liability company, is owned by its founding principals, M. Bagley Reid, Peter H. Bowles, R. Giles Tucker and Margaret P. Fretz both through

direct ownership and through affiliated family trusts and LLCs. Mr. Reid, Mr. Bowles, and Braedon Investments, LLC each own between 25% and 50% of the firm. Mrs. Fretz owns between 5% and 10%. Mr. Tucker is the sole member of Braedon Investments, LLC.

As of March 25, 2013, BEC manages \$121,086,581 in discretionary assets and \$1,438,789 in non-discretionary assets.

Fees and Compensation

BEC charges asset based management fees which are charged quarterly in advance based on a percentage of the client's assets under management at the end of the previous calendar quarter. The compensation for our services, which include identifying a client's investment objectives and restrictions, developing and implementing investment recommendations, monitoring a client's investment results, and reporting to the client on a quarterly basis, is as follows:

Assets Under Management	Annual Fee
On the first \$5 Million	0.75%
On the next \$5 Million	0.65%
Above \$10 Million	0.50%

Our investment management services begin with the effective date of the Investment Management Agreement ("Agreement") which is the date the client signs the Agreement. For that calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the Agreement was effective. Clients may elect to have fees deducted directly from the client's brokerage account or to be invoiced for the fees. BEC reserves the right to adjust the fee schedule for accounts depending on the size and type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated in the fee schedule above.

Clients should be aware of their responsibility to verify the accuracy of the fee calculation submitted to the custodian by BEC as the custodian will not determine whether the fee has been properly calculated.

The fees BEC charges are separate and distinct from fees and expenses charged by mutual funds and ETFs, which may be recommended to clients. A description of these fees and expenses are available in each fund's prospectus. Additionally, our fees do not include custodial and transaction costs paid to custodians, brokers or any other third parties. Clients should review all fees charged by us, the custodians and brokers and others to fully understand the total amount of fees that may apply.

The Agreement may be terminated by either the client or BEC at any time by providing written notice to the other party. The client is responsible to pay for services rendered until the termination of the Agreement. If the Agreement is terminated before the end of a billing cycle, BEC will refund any unearned fees to the client on a pro-rated basis based on the number of days

remaining in the billing cycle. The client can cancel the Agreement without penalty within the first five business days after the signing of the Agreement.

Performance Based Fees and Side-by-Side Management

BEC does not charge performance based fees.

Types of Clients

BEC primarily provides customized investment management services to individual investors, family offices, family and charitable trusts, profit sharing plans, corporations and high net worth individuals. BEC does not impose a minimum account size in order for clients open or maintain an account with us.

Methods of Analysis, Investment Strategies and Risk of Loss

BEC's investment strategy combines global strategic asset allocations with disciplined tactical adjustments. BEC currently offers investors four globally diversified portfolios constructed using proprietary asset allocation strategies.

BEC models our investment approach after the asset allocation strategies adopted by many of the largest and most sophisticated institutional investors such as pension funds and university endowments. These strategies are based primarily on endowment model investing, but modified to substantially lower cost and to provide improved liquidity, transparency, and tax efficiency. The endowment model approach relies on the assumption that each asset class has a measurable historical return, volatility, and historical correlation. The idea is that adding multiple asset classes with low correlation provides diversification and lowers risk levels relative to a given investment return. BEC believes that evaluating a security on its probability of not losing money is a better measure of accessing risk than by solely monitoring standard deviation of returns.

BEC uses Morningstar Direct to provide the historical returns, volatility, and correlations of various asset classes, which helps to determine our strategic allocation to various asset classes. We set portfolio parameters for each major asset class based on the risk/return objective of the portfolio. For example, the BEC Global Balanced portfolio may have a policy range of 40 to 70% for Global Equities, 20 to 40% to Global Fixed Income, and 5-15% to liquid Alternative investments. Each major asset class will have additional sector diversification. BEC Global Equity may include a strategic allocation to large/mid/small cap, value/growth, international/domestic, and countries/sectors. We will make tactical over/underweights to these strategic allocations based on our outlook for each asset class, geographic region or sector as the case may be.

Tactical shifts to the portfolio will be based on analyzing macroeconomic factors such as GDP, inflation, employment, financial condition and other factors like politics, tax and regulatory policy. We will also consider quantitative measures such as absolute and relative valuation, growth rates, and debt levels. Technical analysis including momentum, price, breadth and liquidity will also be considered in investment decisions.

BEC believes in and employs several investment biases to portfolio construction. These include: (a) passive management generally outperforms active management (b) value outperforms growth over the long-term (c) small/mid cap stocks outperform large cap stocks over the long-term (d) international equity allocations should approximate actual global equity capitalizations (e) the addition of liquid alternative investments to a portfolio provides important diversification, and (f) asset class returns revert to the mean over time.

These beliefs influence the decisions made by the Investment Committee. The Investment Committee is composed of M. Bagley Reid, Peter H. Bowles and R. Giles Tucker. The Committee meets formally on a weekly basis although informal meetings occur daily.

The BEC Investment Committee regularly monitors the strategic and tactical allocations for each portfolio. The monitoring includes reviewing the asset class, sector, and geographical exposures of each portfolio while evaluating the liquidity, strategy, and construction of the underlying security. Our sell discipline is embedded in our systematic and regular rebalancing of tactical allocations. We periodically rebalance to our tactical exposure while also adjusting this exposure based on our investment outlook.

BEC believes that the best investment vehicles to implement our globally diversified asset allocation model are Exchange Traded Funds (“ETFs”). ETFs provide liquidity, transparency, tax efficiency, and diversification in a low cost investment vehicle. The BEC Investment Committee systematically evaluates each ETF investment based on liquidity, capitalization, transparency, relative cost, investment objective, tax implications, tracking error and premium/discount. The strategy may include the limited use of Exchange Traded Notes (“ETNs”) and other passive investment vehicles. The strategy does not anticipate the use of portfolio level margin, leverage, derivatives or the use of 2x and 3x “ultra” ETFs. The strategy does not include direct shorting of securities, but may employ selective use of inverse ETFs.

BEC manages four investment portfolios. Each is managed with an objective to reduce risk through diversification. Each portfolio is offered in two formats, one suitable for taxable investors and one specifically managed for tax-exempt investors.

BEC’s **Global Equity** portfolio provides broad exposure to a combination of domestic/international, value/growth, small/large, sectors/country and liquid alternative investments. The primary investment objective is long term capital growth.

BEC’s **Global Growth** portfolio provides exposure to global equities, global fixed income, and liquid alternative investments. The primary investment objective is long term capital growth, with current income a secondary consideration.

BEC’s **Global Balanced** portfolio provides exposure to global equities, global income, and liquid alternative investments. The primary investment objective is a combination of capital growth with current income.

BEC's **Global Growth & Income** portfolio provides exposure to global equities, global income, and liquid alternative investments. The primary investment objective is current dividend and interest income, although growth of income and capital is considered.

Each BEC portfolio typically owns between 20 and 40 separate securities, and no individual security will represent >15% of total portfolio assets.

Investing in BEC portfolios involves risks, including the potential for loss of capital. BEC's investment strategies are focused on investments in exchange traded funds (ETFs) that hold domestic and international equities, fixed income, real estate, commodities, precious metals, currencies, cash and other instruments. The returns generated by these ETFs are subject to numerous risks, including economic, social and political uncertainty, market volatility, foreign currency exchange rate volatility, and tracking error versus an underlying index. ETFs that hold fixed income securities are also subject to default risk and interest rate risk. There can be no assurance that the investment objectives of any portfolio managed by BEC will be achieved.

Disciplinary Information

BEC and its employees have not been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

BEC and its employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest.

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

Although the majority of employees' liquid net worth is invested in BEC portfolios alongside our clients, we do permit our employees to engage, on a limited basis, in personal securities transactions. To avoid any potential conflicts of interest involving personal trades, we have adopted a Code of Ethics ("Code"), which includes formal insider trading, information barriers, and personal security transactions policies and procedures. Our Code requires, among other things, that our employees:

1. Place client interests ahead of their own,
2. Engage in personal investing that is in full compliance with the Code,
3. Avoid taking advantage of their position, and
4. Maintain full compliance with applicable federal securities laws.

Our Code also requires employees to: (a) pre-clear certain personal securities transactions (b) report personal securities transactions on at least a quarterly basis, and (c) provide BEC with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

A copy of our Code shall be provided to any client or prospective client upon request.

Brokerage Practices

BEC will recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. (“Schwab”), or TD Ameritrade, registered broker-dealers, Member SIPC, to maintain custody of clients’ assets and to effect trades for our accounts. However, not all advisers require their clients to direct brokerage and BEC will not require our clients to direct brokerage. BEC is independently owned and operated and not affiliated with Schwab or TD Ameritrade. Schwab and TD Ameritrade provide us with access to their institutional trading and custody services, which are typically not available to Schwab or TD Ameritrade retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor’s clients’ assets are maintained in accounts at Schwab or TD Ameritrade, and are not otherwise contingent upon BEC committing to Schwab or TD Ameritrade any specific amount of business (assets in custody or trading). Schwab and TD Ameritrade’s services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab and TD Ameritrade generally do not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or TD Ameritrade that settle into Schwab or TD Ameritrade accounts.

Schwab and TD Ameritrade also make available to us other products and services that benefit BEC but may not benefit our clients’ accounts. Some of these other products and services assist us with 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), provide research, pricing information and other market data, facilitate payment of our fees from client accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of BEC’s accounts, including accounts not maintained at Schwab or TD Ameritrade. Schwab and TD Ameritrade also make available to BEC other services intended to help us manage and further develop our business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab and TD Ameritrade may make available, arrange and/or pay for these types of services rendered to us by independent third parties. Schwab and TD Ameritrade may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to BEC. While as a fiduciary, BEC endeavors to act in its clients’ best interests, our recommendation that clients maintain their assets in accounts at Schwab or TD Ameritrade may be based in part on the benefit to BEC of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab or TD Ameritrade, which may create a potential conflict of interest.

A client may direct us in writing to use a particular broker/dealer to execute all transactions for client's account. When a client selects the broker to be used for his account, the commission rates are decided upon between the client and his broker. In addition, BEC does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates, and the client may not obtain rates as low as it might otherwise obtain if BEC had discretion to select broker-dealers other than those chosen by the client. Therefore, directing brokerage to a particular broker/dealer may cost clients more money.

Clients that restrict us to using a particular broker/dealer (or direct us to use a particular broker/dealer) for executing their transactions generally will be unable to participate in aggregated orders and will be precluded from receiving the benefits, if any, of an aggregation which other clients may receive.

BEC typically aggregates client trades in an effort to treat all clients fairly. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included side-by-side in bunched client trades. If an order is partially filled, clients will have their orders fully filled on a randomized basis; BEC will seek to complete any unfilled client orders on the next trading day. Employees are excluded from bunched trades whenever client orders are only partially filled.

Review of Accounts

The day-to-day supervision of each account is the responsibility of the Investment Committee. Each account is reviewed on a continuing basis. Periodically, each portfolio is reviewed by the Chief Compliance Officer and the Investment Committee to ensure that the holdings are suitable for the client's objectives.

Clients are furnished a written quarterly analysis of the portfolio including the following for each security: cost basis, market value, annual income, current yield, performance, industry group, and asset class. The Investment Committee members meet with clients periodically. Clients also receive account statements directly from their chosen custodian on a monthly basis.

Client Referrals and Other Compensation

Other than the previously described products and services that BEC receives from Schwab and TD Ameritrade, BEC does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients. For the purpose of clarity, BEC does not receive any cash compensation from Schwab, TD Ameritrade or any other vendor. Further, BEC does not directly or indirectly compensate any person who is not a supervised person for client referrals.

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers, but BEC can access many clients' accounts through its ability to debit advisory fees. For this reason BEC is considered to have custody of client assets. Consequently, BEC maintains the following safeguards:

- The client has provided written authorization to deduct advisory fees directly from the client's account, and
- Each time a fee is directly deducted from the client's account, BEC will concurrently:
 - send the qualified custodian an invoice of the amount of the fee to be deducted from the client's account,
 - send the client an invoice itemizing the fee. The invoice includes the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.
- Account custodians send statements directly to the account owners on a monthly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by BEC.

Investment Discretion

BEC has investment discretion over all clients' accounts, including the discretion to determine the securities and amount of securities to be bought and sold for a client's account. Clients grant us trading discretion through the execution of a limited power of attorney included in BEC's advisory contract.

Clients can place reasonable restrictions on BEC's investment discretion as long as the restrictions fit within our investment strategies. For example, some clients have asked us not to sell certain securities where the client has a particularly low tax basis.

Voting Client Securities

BEC's policy on proxy voting with respect to client accounts is to vote proxies consistent with its fiduciary duty to clients. BEC shall be responsible for voting proxies on behalf of client accounts however certain clients may retain full proxy voting authority. Proxy voting authority is assigned in the Investment Management Agreement between the client and BEC. In cases where BEC retains full responsibility over the proxy voting activities of an account, BEC shall vote client proxies in a way that it believes will cause securities to increase the most or decline the least in value in order to maximize shareholder value. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote. Conflicts of interest will be identified and addressed in such a manner as to benefit the majority of clients and shareholders.

Notwithstanding BEC discretionary authority to make investment decisions on behalf of its clients, BEC will not exercise proxy voting authority over certain of its clients' accounts. Clients shall in no way be precluded from contacting BEC for advice or information about a particular proxy vote.

Both the BEC Proxy Voting Policy and a record of all the proxy votes cast on behalf of our clients are available to our clients upon request.

Financial Information

BEC has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.