

Siphron Capital Management
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June 20, 2014

This Brochure provides information about the qualifications and business practices of Siphron Capital Management, herein after referred to as “SCM” or “Adviser”. If you have any questions about the contents of this Brochure, please contact us at 310-858-7281 or info@siphroncapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

SCM is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Investment Adviser, including this Brochure, is information you use to evaluate advisers which are factors in your decision to hire or to retain an adviser. This Brochure is offered to potential and existing Clients to provide an understanding of the services the firm provides, potential conflicts of interest and the experience and education of certain SCM personnel.

Additional information about Siphron Capital Management is available on the SEC’s website at www.adviserinfo.sec.gov. Results will provide you both Part 1 and 2A of our Form ADV.

Item 2 – Material Changes

Revised June 20, 2014

The purpose of this page is to inform you of any material changes since the last version of this brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

SCM reviews and updates our brochure at least annually to confirm that it remains current. Below is a summary of the material changes SCM made since the last annual update to our brochure, dated March 25, 2014:

SCM has registered as an investment adviser with the State of California. Therefore, we have made amendments to this brochure and added Item 19 to reflect the requirements of a state-registered adviser.

Item 19 – Requirements for State-Registered Advisers

Throughout this brochure, we have disclosed material conflicts of interest required under Section 260.238(k) of the California Corporate Securities Law of 1968 regarding the firm, our representatives, and our employees which we expect could reasonably impair the rendering of unbiased and objective advice.

Principal Executive Officers and Management Persons

The principal executive officers and management persons of SCM are David C. Siphron, CFA, Peter D. Siphron, CFA, and Melissa S. Sohn, CFA. A description of their education and business background is included in the brochure supplement, Form ADV Part 2B, which is provided to clients initially. Clients can also get a copy of the brochure supplement for SCM's officers at any time by contacting us at the address or phone number on the cover page of this brochure.

Other Business Activities

SCM's sole business is providing investment advice.

Performance-Based Fees

SCM does not charge performance-based fees or other fees based on a share of capital gains or on capital appreciation of the assets of a client.

Legal and Disciplinary Issues

SCM and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. Neither SCM nor our management persons have any legal or disciplinary history.

Arrangements with Issuers of Securities

SCM and our personnel have no relationships or arrangements with issuers of securities

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Item 4 – Advisory Business

Siphron Capital Management's performance history started October 1, 1992. The firm was incorporated in 1996. David C. Siphron, President and Chief Investment Officer, and Peter D. Siphron, Senior Vice President and Director of Research, are the primary owners of SCM. The company is 100% owned by its active investment professionals, and is not affiliated with any other organization.

SCM's advisory business is portfolio management for a variety of Clients. This is the only source of revenue for our firm.

SCM offers a large-cap, quality growth equity investment style which has remained the same since the inception of our company. Our Clients come to us for a portfolio of large-cap growth stocks. Our primary goal is to maximize the returns in this product while minimizing risk exposure over the long term. Our portfolios are concentrated in generally 25-35 issues, which allows for a great depth of knowledge about each investment in our Clients' portfolios. We do not customize our product for each individual Client. However, Clients may, through their investment guidelines, impose restrictions on the purchase of specific securities.

SCM's investment strategy is offered primarily through separately managed accounts. We also offer the strategy within a pooled investment vehicle which is available to certain accredited investors, as discussed in Item 10.

We do not participate in any "wrap fee" programs.

The Client assets managed by SCM are managed on a discretionary basis.

As of December 31, 2013, our assets under management were \$71,859,504.

Item 5 – Fees and Compensation

Portfolio Management Fees

Investment management fees may be negotiated and will be a function of: a) the amount of Client assets under management; b) the time and expense involved in serving a Client; c) the stated intent of a Client to add assets during the coming year; and d) prior fee paying practices of the Client.

Although investment management fees may vary according to the factors mentioned above, the standard fee schedule is based on assets under management according to the tiered fee schedule as described below:

First \$10,000,000	0.75% per year;
\$10,000,001 to 20,000,000	0.65% per year;
\$20,000,001 to 30,000,000	0.55% per year;
Over \$30,000,000	Negotiable.

Lower fees for comparable services may be available from other sources. Unless other terms are negotiated and agreed to in writing, fees are payable quarterly, based upon the account's asset value as of the last business day of each calendar quarter. Generally, we will adjust this amount for substantial cash flows made during the quarter. Account values are reconciled to the independent custodian bank statement. Generally, fees are payable after SCM's services are rendered (in arrears). SCM does not require that Clients pay advisory fees in advance.

One account managed by SCM, a Limited Partnership, pursuant to its terms and conditions, pays fees quarterly in advance based on the net asset value on the last day of the prior quarter. SCM receives an annual fee equal to 0.75% of the asset value of the Limited Partnership. Clients should review the client agreement for specific details regarding advisory fees. Private fund investors should review the private fund offering memorandum and limited partnership agreement for specific details regarding advisory fees.

Fee calculations for new and terminated accounts are prorated based on the number of days that the account was active during the quarter.

Fee Payment Options

It is up to the Client whether they wish to have advisory fees withdrawn directly from their account or pay by check.

- Pay-by-check: At the end of quarter we will issue you an invoice for our services and you pay us by check or wire transfer within 30 days of the date of the invoice.

- Direct debiting: at the end of each quarter after inception of the relationship, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. While we reconcile your account records with the custodian statement, the custodian does not validate or check our fee, its calculation, or the assets on which the fee is based. They will “deduct” the fee from your account. If you have more than one account, you may designate the account from which your custodian pays the advisory fees. A copy of the fee invoice will also be mailed to you directly. Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account. The statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us.

Additional Fees and Expenses

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. We do not receive, directly or indirectly, any of these fees charged to you. They are paid to your broker or custodian. (Please see Item 12 for information regarding our Brokerage Practices). The fees may include:

- Brokerage commissions;
- SEC fees;
- Custodial fees; and
- Wire transfer and electronic fund processing fees.

In addition, we do not have or employ any “Employee” who receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account. As a result, we are a “fee only” investment adviser. We do not have any conflicts of interest that relate to any additional (and un-disclosed) compensation from you or your assets that we manage.

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

We do not charge advisory fees on a share of the capital appreciation of the funds or securities in a Client account (performance-based fees). Our advisory fee compensation is charged only as disclosed above (Item 5).

Item 7 – Types of Clients

SCM provides our investment advisory services to a number of Clients, including:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Corporations or other business entities
- Pension plans
- Governmental plans, municipalities
- Not-for-profit entities

For new accounts, SCM generally requires a minimum dollar value of assets in the amount of \$5 million. SCM may, in its sole discretion, waive this minimum.

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

In selecting specific investments for its equity portfolio, SCM primarily uses fundamental analysis (looking at economic and financial information to determine if a company is under-priced or over-priced). Technical analysis and charting are also used in order to help determine advantageous buy or sell opportunities for a security. Our goal is to have our Client portfolios “fully invested” (cash positions typically less than 5%) in a “concentrated” portfolio of publicly traded large cap growth stocks (i.e. holdings are generally limited to no more than 35 positions).

We conduct our own research, analyzing companies and the long-term value of their businesses. Our fundamental analysis is primarily focused on factors such as balance sheet and income statement strength, trends in free cash flow, earnings growth, unit sales growth, operating margins, and return on equity/assets. The basic goal is to determine a conservative range of intrinsic value for each candidate stock, and these values (as with any investment) are based on the company’s future earnings power (e.g. cash earnings attributable to the shareholders).

In addition to our internally generated analysis and research, SCM monitors the state of the economy, the financial markets, and individual companies through financial trade publications, annual reports and research reports. SCM will try to assess a company's over- and under-valuation, based on (among other factors) its price/earnings multiple, dividend yield, return on equity, tangible book value, and net working capital per share. We prefer companies with clean balance sheets, low debt ratios, positive cash flow and a strong management team.

As long as an equity investment, in our opinion, 1) demonstrates consistent, long-term value generation for its shareholders and 2) the stock trades at a market price which allows for ample appreciation, we will hold that particular security. Therefore, our trading frequency is minimal, and in our experience the transaction costs associated with broker commissions and taxes on realized gains are generally immaterial to overall portfolio returns. The most important component of Client investment returns is the price appreciation (or decline) of each portfolio holding.

Our investment style is focused on adding value by delivering positive risk-adjusted returns over the long term, with a focus on capital preservation in down markets. We avoid short-term market trends and market timing. It is our belief that the best returns are achieved by investing in – and sticking with – strong businesses with good growth prospects that successfully manage their pricing and volume and exercise effective cost control.

Material risks involved with securities analysis and concentrated portfolio management:

As mentioned above, the key objectives of prudent equity management are selecting the right stocks and paying a reasonable price for them. However there are always risks associated with any investment, and below we highlight those that we deem to be material as they relate to our investment process:

- Misinterpretation of available fundamental data, leading to a less than optimal investment decision
- Adverse, non-public information that may negatively impact an investment
- Opportunity costs associated with “missing” a better performing stock
- Concentration risk associated with a limited number of portfolio holdings that do not reflect the exact composition of the equity markets. Since individual holdings will generally be greater than the average constituent of an equity benchmark, negative moves in such a stock could adversely impact the relative performance of the overall portfolio. Also, a relative overweighting or underweighting of a particular industry could hurt results if an overweight industry underperforms or an underweight industry outperforms.

Please note that our Client mandate is to outperform the equity benchmark over time. This task is mathematically impossible if the Client portfolio is identical to the benchmarks.

Material risks involved with public equity investments:

Our Clients’ portfolios consist almost entirely of publicly traded stocks whose market prices change daily. Thus as mentioned above, the biggest risk is any material decline in share price due to either company-specific news (e.g. product recall, management change, competitive pressure) or broader economic issues (e.g. financial crisis, natural disaster, political pressure). All investments in equity securities include a risk of loss, and stock markets fluctuate over time. Due to this fluctuation of market prices, Clients should understand that from time to time the value of their equity portfolio may be more or less than their initial cash investment. Clients must therefore be willing to bear a potential loss in their investment. We will do our very best in the management of your assets to minimize any permanent losses of capital. However, we cannot guarantee any level of future performance. As part of our risk management, we do not hold any illiquid assets or private equity funds, nor do we apply leverage or require any lockup period.

In our opinion, investing in large-cap growth stocks with strong brands, global reach and expanding markets is the best way to grow our Clients’ hard-earned assets over time. We believe that patience (i.e. holding good companies through various business cycles) is a key ingredient for investment success.

Item 9 – Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal, financial or disciplinary events that would be material to your evaluation of SCM to initiate or continue a relationship with us.

SCM does not have any current legal or disciplinary events applicable to this Item, nor has SCM ever been disciplined in the past. This statement applies both to our Firm as a whole and to every employee of SCM.

Item 10 – Other Financial Industry Activities and Affiliations

SCM does not have any material financial industry activities or affiliations. However, SCM serves as the investment adviser to POD Capital Investments, L.P (“Limited Partnership”). The Limited Partnership is not publicly offered or traded. POD Capital Investments GP, LLC, is the General Partner and is also an affiliate of SCM as SCM’s principals David Siphron and Peter Siphron are control persons of both SCM and POD Capital Investments GP, LLC. David Siphron and Peter Siphron are also limited partners in the Limited Partnership. SCM clients are not solicited to invest in the Limited Partnership. All accounts, including the Limited Partnership, will be treated fairly and equitably and no one Client account will receive preferential treatment over another. This Form ADV Part 2A Brochure is not an offer to sell, or a solicitation of an offer to purchase, interests in the Limited Partnership. Such an offer can only occur when the prospective investor receives the offering documents.

Item 11 – Code of Ethics

Siphron Capital Management (SCM) promotes and encourages the highest possible ethical and professional conduct for its directors, officers and employees. All employees of SCM, including supervisors and supervised persons, are required to comply with all applicable securities laws and SCM's Code of Ethics at all times. This Code of Ethics is designed in an effort to ensure that we meet our fiduciary obligation to you, our Client (or prospective Client) and to drive home a Culture of Compliance within our firm. We also supplement the Code with on-going monitoring of employee activity.

Our Code of Ethics includes the following requirements for all employees:

1. Place the interests of Advisory Clients first.
2. Avoid taking inappropriate advantage of their position.
3. Conduct all personal securities transactions in full compliance with the Code including both pre-clearance and reporting requirements.
4. Maintain confidentiality of Client information and activity.
5. Abide by the restrictions on giving, soliciting and receiving gifts related to the business of SCM.
6. Annually certify compliance with SCM's Code of Ethics.

A copy of SCM's Code of Ethics is available to current and prospective Clients upon request.

Our Code does not prohibit personal trading by employees. Should an employee wish to trade for their personal account, we have in place strict guidelines to require that: (a) associated persons and employees may not maintain securities accounts without full disclosure to SCM of the account and all transactions in that account; and (b) associated persons and employees may not purchase or sell for their own account any securities which are also being purchased or sold by or for Clients' accounts until after the execution of the transaction(s) for the Clients' accounts, in accordance with applicable rules and regulations.

Principal Trading and Cross Transactions

SCM does not participate in principal trades or cross transactions.

Item 12 – Brokerage Practices

Selecting Brokers for Client Transactions

Siphron Capital Management's goal is to get the best, most timely execution on all trades at a reasonable cost to the Client. SCM is not affiliated with any broker-dealer. SCM uses a select group of established brokers for all Client account trading. It is our duty to seek best execution on securities transactions. This means that we must seek to execute Client trades at the best net price considering all relevant circumstances. In order to obtain better services - better access, timely execution, expertise, better error record - it would be acceptable to pay up (pay a slightly higher commission) for better execution. SCM selects brokers based on the commission rate charged, their execution capability, research services provided, their past performance, and their reputation. The nature of research services provided includes research concerning the specific issues or investments being considered for a discretionary Client account.

Research and Other Soft Dollar Benefits

Siphron Capital Management does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Research received from brokers is used to assist our portfolio managers in making investment decisions for all Client portfolios, not just the accounts for which the broker placed trades. SCM only receives proprietary research from the brokers; we do not receive any third party research products or services. The research we receive from brokers is not based upon the amount of trades that are directed to those brokers. Therefore, we continue to select brokers based on best execution.

Brokerage For Client Referrals

SCM does not direct brokerage based on getting Client referrals from brokers.

Directed Brokerage

Clients do not always designate brokers to be used. However, if a Client expresses a desire to do business with a particular broker, SCM generally will honor the Client's request. In the event that a Client directs us to use a particular broker, SCM may not be authorized to negotiate commissions and may not be able to obtain volume discounts or best execution. Under these circumstances, a disparity in commission charges may exist between the commissions charged to Clients who direct SCM to use a particular broker and other Clients who do not direct SCM to use a particular broker. We will always work to obtain the most favorable price, execution and commissions for our Clients, within the limits of the authority given to us by our Clients.

Block Trading Procedures

SCM will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for Clients.

Before entering an aggregated order, SCM will prepare a written statement specifying the participating Client accounts and how we intend to allocate the order among the Clients.

If the aggregated order is filled in its entirety, it will be allocated among Clients in accordance with the written statement; if the order is partially filled, it will be allocated pro rata based on the written statement, subject to rounding for odd lots, round lot holdings that would be deemed too small for an account, and other objective criteria.

Item 13 – Review of Accounts

There is continuous monitoring internally of the status of all securities in Client accounts. Every client account is reconciled monthly with the custodian statement. An overall assessment of each Client account is performed on at least a quarterly basis. Peter D. Siphron, Senior Vice President and Director of Research, or Melissa S. Sohn, Vice President, performs Client account reviews. All reviews are based on the Client's stated investment objectives. More frequent reviews may be triggered by a change in the Client's investment guidelines, tax considerations, large deposits or withdrawals, large security sales or purchases, loss of confidence in corporate management objectives, changes in macro-economic climate or dramatic market changes.

All Investment Advisory Clients receive either a custodian bank statement or a standard brokerage account statement from the custodian at least quarterly and for each month in which activity occurred in the account reflecting all activity for that period. These statements include all positions and balances, the current market value and the cost basis, if available. SCM will provide a written evaluation of the advisory account upon request.

Item 14 – Client Referrals and Other Compensation

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing Clients to us. When entering into a new referral arrangement, we will confirm that the Solicitor is properly registered and follows the California Code of Regulations Section 260.236(c)(2), as applicable. Whenever we pay a referral fee, we require the Solicitor to provide the prospective Client with a copy of this document (our Firm Brochure) and a separate disclosure statement that includes the following information:

- the Solicitor's name and nature of relationship with our firm;
- the fact that the Solicitor is being paid a referral fee; and
- the amount of the fee that the Solicitor receives from SCM.

As a matter policy, the advisory fees paid to us by Clients referred by solicitors are **not** increased as a result of any referral.

Item 15 – Custody

In no event will SCM accept or maintain actual custody of Client funds or securities.

We previously disclosed in Item 5 of this Brochure that our firm may directly debit advisory fees from Client accounts. As part of this billing process, the Client's custodian is advised of the amount of the fee to be deducted from that Client's account. Because the custodian does not calculate the amount of the fee to be deducted, it is important for Clients to carefully review their custodial statements to verify the accuracy of the calculation. Clients should contact us directly if they believe that there may be an error in their statement.

On at least a quarterly basis, the custodian is required to send to the Client a statement showing all transactions within the account during the reporting period and the securities held with the qualified custodian. We urge you, our Client, to compare the account statement you receive from your qualified custodian with the statements provided by us. Clients with any questions about their statements should contact SCM at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should notify SCM. For tax and other purposes, the custodial statement is the official record of your account(s) and assets.

As we have previously disclosed in this Brochure (Item 10), an affiliated entity of SCM is the General Partner to a Limited Partnership which is also a fee-paying Client account. While this technically gives them administrative control for this one account, we have put controls in place, in compliance with applicable rules, to protect investors' assets in the fund. An independent qualified custodian maintains the Client funds and securities in this account, and audited financial statements are sent to partners within 120 days of the fiscal year-end and, if applicable, upon liquidation.

Item 16 – Investment Discretion

Procedures to assume discretionary authority include a management agreement signed by the Client. This agreement, the Client's account application or a limited power of attorney signed by the Client authorizes trading authority. Private fund investors enter into a limited partnership agreement, which outlines this authority. As a result, we may place trades in a Client's account without contacting the Client for permission prior to each trade.

Discretionary authority gives us the ability to determine the security to buy or sell, as well as the amount of the security to buy or sell. In all cases, however, such discretion will be exercised in a manner consistent with the stated investment objectives, guidelines and limitations for the particular Client account.

Investment guidelines and restrictions must be provided to SCM in writing. Clients may also change/amend guidelines and limitations by once again providing us with written instruction.

Item 17 – Voting Client Securities (i.e., Proxy Voting)

Generally, we vote proxies for all Client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies for your account.

As a general guideline, SCM will vote proxies in the best interest of our Clients, consistent with responsible social policy and Client investment guidelines. Our fiduciary duty is to exercise proxy votes in a manner which maximizes shareholder value.

SCM will retain all proxy voting records, including a copy of each proxy statement received, and a record of each vote cast. Clients may request, in writing, information on how proxies for their account were voted.

If any conflict of interest arises in regards to voting a particular proxy, we will notify the Client and discuss with them how they would like us to vote that item. If SCM has a conflict of interest relating to a security held in the Limited Partnership, we may contact a third party specialist to advise SCM to determine the vote and/or provide voting recommendations.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting SCM by telephone, email, or in writing. To direct us to vote a proxy in a particular manner, Clients should contact Melissa Sohn.

We will neither advise nor act on behalf of the Client in legal proceedings involving companies whose securities are held in the Client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, Clients may direct us to transmit copies of class action notices to the Client or a third party. Upon such direction, we will make reasonable efforts to forward such notices in a timely manner.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. SCM has no additional financial circumstances to report which would impair our ability to meet contractual and fiduciary commitments to Clients, and has not been the subject of a bankruptcy proceeding at any time. SCM does not require or solicit pre-payment of fees six months or more in advance. Therefore, we are not required to include a financial statement with this Brochure.

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