



Caprock Capital, LLC

A path to wealth preservation and enhancement

Caprock Capital, LLC

Informational Brochure (ADV Part 2)

7800 N. Dallas Parkway

Suite 211

Dallas, TX 75287

972-290-0288

Fax: 214-613-2257

www.caprockcapitalllc.com

Effective as of: June 10th, 2014

This brochure provides information about the qualifications and business practices of Caprock Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 972-290-0288 or ppustmueller@caprockcapitalllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. The information in this brochure has not been approved or verified by any state securities authority. Registration does not imply a certain level of skill or training. Additional information about Caprock Capital, LLC. is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

This is a new filing for registration with the State of Texas.

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Introduction

This current brochure, which sets forth information regarding the background and business practices of Caprock Capital LLC (“Caprock”). As such, Caprock shall furnish each advisory client and prospective advisory client a written disclosure statement containing at least the information required by Part 2 of Form ADV. Caprock shall deliver the written document to an advisory client or prospective advisory client before or at the time of entering into the contract. Caprock annually shall, without charge, deliver or offer in writing to deliver, upon written request, this statement to each of its advisory clients. Any statement requested in writing by an advisory client pursuant to an offer required by this paragraph must be mailed or delivered within seven days of the receipt of the request.

The information provided in this brochure only relates to specific questions to which the Commission requests specific answers. Accordingly, this brochure is not intended to provide detailed information about all aspects of Caprock’s business.

Advisory Business**Firm Description**

Caprock is currently in the process of applying for registration with the State of Texas. Caprock has been in business since 2006 and became registered with the SEC in 2010. Previously, Caprock was registered with the state of Texas.

Principal Owners

The principal owners of Caprock Capital are Mark E. Mitchell and Jerry V. Smith (inactive owner).

4.B, 4.C Types of Advisory Services

The Firm may recommend the services of a third party investment adviser (“Portfolio Manager”). The Firm works with each client to determine which Portfolio Manager may be appropriate. Clients are never obligated to use the recommended Portfolio Manager. If the client wishes to proceed with the recommendation, the client will enter into a relationship with the recommended Portfolio Manager. Under these arrangements, the Portfolio Manager is responsible for portfolio management, best execution, portfolio reporting, trading, trade error resolution, and custodian reconciliations. The Firm will maintain its relationship with the client by monitoring the status of the client’s accounts with the Portfolio Manager, make recommendations about the Portfolio Manager, and meet with clients either in person or by telephone on an annual basis and act as the client’s primary financial adviser. All questions regarding the Portfolio Manager’s services and performance will be directed to the Firm.

Clients who are referred to Portfolio Managers will receive full disclosure, including services rendered and fee schedules, at the time of the referral, by delivery of a copy of the relevant Portfolio Manager's Form ADV Part 2A or equivalent disclosure document before receiving investment advisory services from the portfolio manager.

The Firm intends on providing non-discretionary “portfolio management services”, to clients. The investment recommendation made to the client will be structured from an in-depth profile and conversation with the client regarding goals, current financial condition, timeline, and risk appetite.

The Firm plans to analyze, construct, and manage these accounts based on the particular goals of each client in a manner which takes into consideration facts and information such as: each client's objectives, including risk tolerances and return objectives, and each investor's constraints, including liquidity needs, time horizon, taxation, regulatory issues and any unique circumstances. Caprock attempts to address all of these issues through its dynamic asset allocation models. When selecting the Portfolio Managers, Caprock undergoes a due diligence process which includes reviews of the firm, the philosophy, the process, the people, and performance. The Portfolio Managers are recommended based on their ability to fill specific roles towards achieving the client's overall investment objectives. Caprock does not act as a solicitor and is not provided any additional compensation for these recommendations other than the fees as described in section 5.A below. Given that Caprock does not receive fees from the Portfolio Managers for making recommendations, this mitigates any potential conflict of interest to recommend any one portfolio manager over another. Please see Item 8 for more information on the methods of analysis, sources of information, and investment strategies.

The total amount of non-discretionary assets as of March 31, 2014 is approximately \$54,032,482.

Fees and Compensation

Fee Description and Billing

Caprock's annual advisory fees are typically calculated on the basis of the total market value of the assets placed under its management as determined as of the close of business on the date preceding the effective date of the advisory agreement, and thereafter service fees are typically recalculated quarterly on the basis of the total estimated market value of such assets as determined as of the close of business on the last business day of each previous quarter.

Total assets under advisory and therefore subject to fees include both liquid marketable securities and illiquid investments such as hedge funds, private equity and limited partnerships. Except for publicly traded equity securities, for any trades that are unsettled and pending, the original designated balance, not the settled balance, will be used.

In computing the market value of any investment of a client's account, each security listed on a national securities exchange shall be valued at the last quoted sales price on the valuation date of the principal exchange on which such security is traded. Any other security or asset shall be

valued in a manner determined in good faith by Caprock to reflect its fair market value, with the assistance of the client's custodian. By mutual agreement between Caprock and the client, certain other illiquid assets may be excluded from the computation of fees.

Caprock's advisory fees for its equity accounts are currently calculated at the following rates, and the pro-rata portion of one-quarter (25%) of the annual fee as recalculated on the last business day of each successive calendar quarter, payable when billed. Fees are billed in advance, before service is performed.

The standard advisory fees for Caprock are as follows:

<i>Under \$5,000,000</i>	<i>1.00% per year</i>
<i>Between \$5,000,000 and \$10,000,000</i>	<i>0.75% per year</i>
<i>Between \$10,000,00 and \$25,000,000</i>	<i>0.50% per year</i>
<i>Portion above \$25,000,000</i>	<i>0.40% per year</i>

Fees are subject to adjustment with 30-day notice to clients. Fees may be negotiated for accounts of substantial size.

5.B Fee Payment Method

Caprock typically deducts fees from clients' accounts; however Caprock first sends an invoice and receives their written authorization prior to deducting any fees. In addition, Caprock will accommodate clients who wish to have their fees billed directly and paid by another means.

5.C Other Fees

Clients will incur brokerage and other transactions costs associated with the investments they choose to make. Please refer to the brokerage section of the brochure for further information.

5.D Refunds

Either Caprock or the client may terminate an advisory contract at any time by giving the other party 30-day written notice. Advisory fees paid in advance will be prorated to the date of termination and any unearned portion will be refunded to the client. This refund will be determined by the following steps.

1. Determining the exact fee amount pre-paid per day in the most recent quarter.
2. Determining the number of days in which the client has pre-paid, but will not receive service due to the termination of the contract.
3. Multiplying the daily fee amount by the number of days in which the client pre-paid, but will not receive service (post-termination of contract)

5.E Other Compensation

Caprock will occasionally refer individuals that are not good matches for our business model to an outside manager that pays a referral fee if the individual becomes a client of the advisor. No referral fees are received for client's accounts retained by Caprock.

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

Caprock does not receive performance-based fees. Please refer to Other Financial Industry Activities and Affiliations for information on additional fees received by the Principals of Caprock.

Item 7 - Types of Clients

Description

Generally, Caprock's client base will consist primarily of high net worth individuals and selected institutional accounts, including foundations, endowments, trusts and pension plans. Other types of clients may also be included in the advisory business, including trusts, estates and charitable organizations, qualified pension and profit sharing plans, Taft Hartley plans, unions, public sector entities such as cities, counties and states, health care facilities, corporations, foundations, and endowments.

Account Minimum

Caprock does not impose a minimum dollar value of assets or other conditions for starting or maintaining an account.

Item 8 - Methods of Analysis, Sources of Information, and Investment Strategies

8.A Security Analysis

Caprock's primary method to determine the proper investment for a client includes fundamental research. The firm believes in managing portfolios which have fundamentally attractive characteristics, while adhering to strict risk controls to both reduce volatility and help maximize wealth. All portfolio decisions are fundamentally driven.

Principal Sources of Information

Caprock's sources of information used in financial analysis include: financial periodicals, research materials prepared by others (including research departments of brokerage firms), corporate rating services, annual reports to shareholders, prospectuses, investor relations' materials, company conference calls and other U.S. Securities and Exchange Commission filings.

Types of Investment Strategies

Typical investment time horizon is greater than a year depending on a client's unique situation, but on occasion securities will be sold prior to that time depending on the conditions of the market, the prospects for price appreciation of that particular security, or other reasons consistent with Caprock's sell discipline, as previously discussed. The use of alternative investments within client portfolios is used to diversify the client's portfolio, to reduce volatility, and to enhance the overall return.

Caprock will select other investment managers/advisers for its clients to carry out specific investment strategies. Caprock does not receive any compensation either directly or indirectly from these advisers which it selects for its clients. In addition, Caprock has no arrangements with any investment advisers to receive compensation whether directly or indirectly.

Types of Investments

Generally, Caprock provides investment advice across the entire asset allocation and investment opportunities of a client. This would include: equity securities, including exchange listed, over-the-counter, and foreign issuers that are traded on U.S. exchanges. Caprock will also provide services concerning other assets, such as corporate debt securities, commercial paper, municipal securities, and United States government securities. In addition to traditional fixed income and equity investments, a certain portion of a client's portfolio may be invested in alternative investment strategies including but not limited to hedge funds, private equity, real estate, and oil & gas investments.

Caprock does not generally provide advice with respect to warrants, certificates of deposit, investment company securities (variable life insurance, variable annuities, and futures contracts (on tangibles or intangibles)).

The following describes an overview of Caprock's Portfolio Management Policy. The policies and procedures adopted by Caprock to ensure that portfolio management decisions are consistent with clients' mandates, regulatory requirements, and fiduciary obligations. As a fiduciary, Caprock has a duty of utmost good faith to act solely in the best interests of each of its clients, while rendering professional, continuous and unbiased investment advice.

Caprock attempts to evaluate and understand the client's investment objective, tolerance for risk, time horizon, liquidity needs, any other unique circumstances (including tax considerations, legal or regulatory constraints, etc.), and any other relevant information that would affect investment policy and use this information to create a detailed asset allocation model to review and evaluate different asset classes for possible investment.

The asset allocation model includes a discussion of risk tolerance (both the ability and willingness to bear risk), return objectives, time horizon, liquidity requirements, liabilities, tax considerations, and any legal, regulatory, or other unique circumstances. This information will allow Caprock to assess whether a particular security or investment manager is suitable for a client and serve as the basis for establishing the client's tactical and strategic asset allocation. A focus on downside loss, to help a client visualize historical examples of risk/reward benefits is

used to determine an appropriate allocation. With any investment there is risk associated with it including risk of loss.

Risk of Loss

Although Caprock makes every effort to preserve each client's capital and achieve real growth of wealth, investing involves risk of loss that each client should be prepared to bear.

8.B, 8.C Risks of stock investing

Stocks generally fluctuate in value more than bonds and may decline significantly over short time periods. There is the chance that stock prices overall will decline because stock markets tend to move in cycles, with periods of rising prices and falling prices. The value of a stock in which a fund invests may decline due to general weakness in the stock market or because of factors that affect a company or a particular industry.

Risks of bond investing

Bonds have two main sources of risk. Interest rate risk is the risk that a rise in interest rates will cause the price of a debt security to fall. Securities with longer maturities typically suffer greater declines than those with shorter maturities. Mortgage-backed securities can react somewhat differently to interest rate changes because falling rates can cause losses of principal due to increased mortgage prepayments and rising rates can lead to decreased prepayments and greater volatility. Credit risk is the risk that an issuer of a debt security will default (fail to make scheduled interest or principal payments), potentially reducing income distributions and market values. This risk is increased when a security is downgraded or the perceived creditworthiness of the issuer deteriorates.

Risks to Alternative Investments

Risks associated investing in alternative assets include, but are not limited to, the following: some funds may not have lengthy operating history from which investors can evaluate performance; the general partner will have total investment discretion for the investment; there may not be a secondary market for interests in the fund; there are restrictions on transferring interests in the investment; the investment's fees and expenses will reduce gross profits; the investment performance may be volatile; there can be no assurance the investment will achieve its objectives; there is the risk of complete loss; and most alternative investments entail a high degree of risk and are suitable only for sophisticated persons who fully understand and are capable of bearing the risks of an investment.

Item 9 - Disciplinary Information

There are no legal or disciplinary events that are outstanding or have there ever been any legal or disciplinary events against any of the members or employees of Caprock. In addition, there have been no proceedings under which any professional designation or attainment has been revoked or suspended of any member or employee of Caprock.

Item 10 - Other Financial Industry Activities or Affiliations

Caprock is not registered as a securities broker-dealer, nor is it registered as a futures commission's merchant, commodity pool operator or commodity trading advisor, nor has Caprock made any arrangements that are material to its investment advisory business or its clients with a related person.

Caprock's principal business is that of an investment adviser providing investment advice to clients. Caprock does not actively engage in a business other than giving investment advice, nor does the firm sell products and services other than investment advice to clients, nor does the principal business of Caprock or its principal executive officers, except as noted below; involve something other than providing investment advice.

Mark E. Mitchell is also the owner of Mitchell Lockhart & Associates ("MLA"), an accounting firm specializing in complex tax transactions relating to real estate and oil and gas. The accounting firm's primary area of practice is taxation for high net worth individuals and their businesses. Clients of Caprock may be clients of the accounting firm, however, this does not impose a conflict as they are engaged under separate agreement and pay fees in accordance with those services being offered. The services provided by Caprock and MLA are completely independent of each other therefore mitigating any additional conflicts of interest that may occur. Additionally, controls are in place to prevent the sharing of non-public client information.

Mark E. Mitchell is also the sole owner of the RIA, Caprock Capital Advisors Inc. Supervised persons of Caprock may also work for Caprock Capital Advisors Inc. Given that the two RIA's are offering similar services, there is a potential conflict of interest that one client may receive favorable treatment over another. To mitigate this, Caprock has implemented procedures to ensure clients are not being favored or disfavored and that non-public client information is protected. Client portfolios are monitored on a regular basis by the CCO to ensure fair treatment of all clients.

One of its owners (Jerry V. Smith) is also the owner of J.V. Smith Professional Corporation, a public accounting firm licensed to practice public accountancy in the state of Texas. He is also licensed to sell life, accident, health & HMO insurance products in the state of Texas. In addition to Caprock and JV Smith Professional Corporation, the following is a summary of all business entities owned by Jerry V. Smith: The Royal Gorge Company of Colorado, Inc.; J.V. Smith Oil Company/Energy Partners, Inc.; Espuela Resources, LLC; and JV Smith Management Corporation. Two companies owned and controlled by one of the members (Jerry V. Smith) of Caprock serve as the general partner for three Texas limited partnerships: 1) Espuela Gas Partners 2005, LP, 2) Espuela Gas Partners II, LP and 3) Espuela Gas Partners III, LP. The partnerships were formed for the purpose of soliciting investments from accredited investors for investing in oil & gas production and exploration related activities. As a result of the formation and funding of the Espuela Funds, Mr. Smith receives compensation in the form of carried interests from the limited partnerships oil & gas investment activities. The advisor to these private funds is the Star of Texas Capital, LLC. Jerry V. Smith is completely inactive from any

operational involvement with Caprock, so any potential conflict of interest that herein lies is mitigated. Mr. Smith is simply a passive shareholder.

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

Code of Ethics and Personal Trading

All employees and officers of Caprock and its affiliates are required to adhere to a code of ethics which require them to abide by certain principals with respect to their investment advisory accounts and clients. The interest of the client is first and foremost. Caprock and its employees and officers may not take advantage of their client relationship and must avoid any actual, potential or apparent conflicts of interests. In addition, all employees, officers and directors of Caprock are required to display a high level of character and integrity in all aspects of their professional and personal lives.

Finally, all employees, officers and directors of Caprock must comply with all applicable federal securities laws. Caprock provides regular updates and discussion regarding the Firm's Code of Ethics. All employees are then required to sign an annual statement acknowledging receipt of, compliance with, and understanding of Caprock's Code of Ethics. A detailed copy of Caprock's Code of Ethics is available to clients or prospective clients upon request.

Participation or Interest in Client Transactions

There may be a conflict of interest if Caprock or a related person invested in securities it also recommends to a client. The way this is mitigated is that Caprock nor a related party may trade a security it recommends until all clients have either purchased or sold the security.

Brokerage Practices

Brokerage Selection and Best Execution

Consistent with its fiduciary obligations, Caprock seeks best execution in all transactions. Caprock defines best execution as the best price Caprock believes it may obtain for a specific trade in light of all relevant circumstances. Caprock primarily uses Charles Schwab & Co., Inc. ("Schwab") Institutional investment management service program for its brokerage and custodial services. The majority of Caprock's clients use the Charles Schwab platform, although clients may elect for their accounts to be held at another custodian and other custodians may be used where practical (holding a foreign security, etc.). Caprock has chosen Charles Schwab & Co. Institutional for its ability to deliver quality execution and record keeping services, among other items. Should Caprock trade in securities in which the Firm is uncomfortable with Charles Schwab & Co. Institutional ability to deliver best execution, the Firm will locate a more suitable broker. Factors that went into the consideration of Charles Schwab included: 1) financial condition; 2) acceptable record keeping; 3) ability to achieve prompt and reliable executions at favorable prices; 4) efficiency of trade and allocation communication; 5) knowledge of market,

securities and industries; 6) the competitiveness of commission rates in comparison with other brokers; and 7) reputation and integrity.

The following describes the relationship that Caprock has with Schwab. Caprock may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Schwab, a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Caprock may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Caprock is independently owned and operated and not affiliated with Schwab. Schwab provides Caprock with access to its institutional trading and custody services, which are typically not available to Schwab 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 Advisor Services. These services are not contingent upon Caprock committing to Schwab any specific amount of business. Schwab's brokerage services include the execution of securities transactions, 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 Caprock client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Research and Other Soft Dollar Benefits

Schwab Advisor Services may also make available to Caprock other products and services that benefit Caprock but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Caprock's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Caprock in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Caprock's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting. Schwab Advisor Services also offers other services intended to help Caprock manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Caprock. Schwab Advisor Services may discount or waive fees it 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 Caprock. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Caprock personnel. In evaluating whether to recommend

or require that clients custody their assets at Schwab, Caprock may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Caprock may receive research and related services furnished by Schwab. Research and related services include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services; discussions with research personnel; and hardware, software, data bases and other news, technical and telecommunications services and equipment utilized in the investment management process. Clients may pay a commission in excess of that which another broker might have charged for effecting the same transactions, in recognition of the value of the brokerage or research services provided by the broker. Because commission rates in the United States as well as other jurisdictions are negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

Brokerage for Client Referrals

Caprock does not receive client referrals from any of its broker-dealers it recommends or does business with. In addition, Caprock does not routinely recommend, request or require that a client direct its executing transactions through a specified broker-dealer.

Directed Brokerage

Caprock will allow a client to direct brokerage. This will be evaluated on a client by client basis. In these instances, Caprock may be unable to achieve most favorable execution for client transactions. Directing brokerage may cost clients more money as the client may pay higher brokerage commissions because Caprock would be unable to aggregate orders to reduce transaction costs or the client may receive less favorable prices.

Item 13 - Review of Accounts

Reviews and Reviewers of Accounts

Mark Mitchell, President of the Firm acts as investment manager for client accounts. Caprock reviews the investments held in brokerage and security accounts of its investment advisory clients on a quarterly basis, at a minimum. However, triggering factors (buy/sell a security, risk control parameters, sell discipline) will compel investment managers to review accounts on a more frequent basis. Caprock also analyzes the investment allocation (which includes both liquid and non liquid investments) of its investment advisory clients at least quarterly and discusses the need (if any) for changes in the overall asset allocation. All client portfolio reviews (as noted above) are performed by the investment professionals of Caprock.

The firm's Investment Committee formally meets on a weekly basis to discuss the current economic and macro factors affecting the investment environment client portfolios, investment strategy, general investment policies and procedures as well as specific investment ideas. Client requests for more frequent formal reviews will be accommodated. Currently, three investment managers are reviewers. There are currently no fixed limits on the number of accounts assigned to each investment manager.

Nature and Frequency of Regular Reports to Clients on their Accounts

Caprock generates written analysis of portfolio performance based upon client needs, with the assistance of the client's custodian. Caprock provides clients with a written monthly/quarterly performance analysis, including monthly/quarterly performance figures. In addition, performance figures can be requested at any time.

Item 14 - Client Referrals and Other Compensation

Currently, Caprock does not have any arrangement where Caprock pays an individual for soliciting clients for Caprock. Caprock requires a written agreement with such party with respect to solicitation activities and referral fees, and clients referred pursuant to this arrangement must receive a disclosure document describing the arrangement and must provide written acknowledgement of receipt of such disclosure document.

Item 15 - Custody

Caprock, as Firm policy, does not take physical custody of any client assets. Caprock urges its clients to carefully review those statements. In addition, Caprock provides statements to its clients and on those statements the Firm notes that the clients are urged to compare the account statements they receive from the qualified custodian and account statements they receive from Caprock.

Item 16 - Investment Discretion

Currently, Caprock only manages assets on a non-discretionary basis.

Item 17 - Voting of Client Securities

It is Caprock's generally policy to not vote proxies on behalf of its clients. Either the underlying manager will vote the proxies or the client themselves (Caprock is primarily in the business of recommending investment managers for the clients versus recommending the underlying security). However, if it is requested by the client for Caprock to vote on the proxy then Caprock will do so. When Caprock votes proxies it generally votes as management recommends or sells the stock prior to the meeting. Caprock believes this policy is consistent with the economic best interest of its clients. Consistent with its duty of care, Caprock monitors proxy proposals just as it monitors other corporate events affecting the companies in which its clients invest. Because of extenuating circumstances associated with some proxy issues, Caprock votes may not follow this policy in all cases. A copy of the Proxy Voting Policy is available upon request.

Item 18 - Financial Information

Caprock does not need to provide a balance sheet as the firm does not have custody of client funds or securities or require prepayment of more than \$500 in fees per client and six or more months in advance.

Item 19 - Requirements for State Registered Advisors**19.A Principal Executive Officers and Management Persons Education and Background**

MARK E. MITCHELL, CPA. Mr. Mitchell, born May 7, 1965, graduated in 1987 with a BBA in Accounting from Texas Tech University. He received an MBA from The University of North Texas in 1991. Mr. Mitchell is a Certified Public Accountant, a member of the Texas Society of CPAs, and the American Institute of Certified Public Accountants (AICPA). Currently and since 01/2006, Mr. Mitchell is owner and the President of Caprock Capital, LLC. Other business activities include: President and co-owner of Mitchell Lockhart & Associates (04/2012 – PRESENT), a CPA firm specializing in taxation on which Mr. Mitchell spends approximately 5 hours per week; Mr. Mitchell has also been asked to serve as a Trustee for a number of multi-generational family trusts for which he is compensated. Mr. Mitchell began this work in 12/2007 and continues it currently. Mr. Mitchell spends approximately 25 hours per week on trustee business. The trusts previously mentioned are not advisory clients of Caprock. There are no legal or disciplinary events that are outstanding nor have there ever been any legal or disciplinary events against Mr. Mitchell. In addition, there have been no proceedings under which any professional designation or attainment has been revoked or suspended.

JENNIFER PAGE PUSTMUELLER. Miss Pustmueller, born May 30, 1987, graduated with honors in 2009 with a BBA from Southern Methodist University majoring in Finance with a double minor in Psychology and Economics. Currently, Miss Pustmueller is the Vice President and Chief Compliance Officer for Caprock Capital LLC. From 07/2012 through 06/2013, Miss. Pustmueller was a Financial Analyst with Caprock Capital LLC. From 07/2010 through 07/2012, she worked at Morgan Stanley Smith Barney in the Wealth Management department as a Client Service Associate. From 09/2007 through 07/2010, Miss Pustmueller worked for Quest Capital Management, Inc., an Independent Registered Investment Advisor, departing from the company as a Staff Planner. There are no legal or disciplinary events that are outstanding nor have there ever been any legal or disciplinary events against Miss. Pustmueller. In addition, there have been no proceedings under which any professional designation or attainment has been revoked or suspended. Miss. Pustmueller also currently serves as the Vice President and Chief Compliance Officer for Caprock Capital Advisors Inc.

19.B Other Business Activities

Please refer to the Affiliations section above for more information on additional business activities.

19.C Performance Based Fees

As noted above, Caprock does not receive performance based fees.

Other Items

Privacy Policy Notice

As a client of Caprock Capital, LLC, you share both personal and financial information with us. Your privacy is important to us, and we are dedicated to safeguarding your personal and financial information. We respect the privacy of our client relationships and we are committed to maintaining the highest standards of confidentiality. In that regard, we are providing this annual Privacy Notice to all of our clients who obtain financial products and services from us.

We collect personal financial information about you from the following sources:

- Information you provide us in investment advisory agreements, brokerage account applications, and other documents you complete in connection with the opening and maintenance of your accounts with us;
- Information you provide us through oral, written or electronic communication;
- Information we receive from third parties, such as brokerage firms, about your transactions with us or with others; and
- Non-public information is collected (social security number, income account balances, securities holdings, address, driver's license, etc.).

We do not disclose any nonpublic personal financial information about you to anyone, except in the following circumstances:

- When required to execute transactions for your account or otherwise to provide services you have requested with your designated custodial agent;
- When you have specifically authorized us to do so in writing; or
- When permitted or required by law.

Within our firm, we restrict access to your personal financial information to the employees who need to know that information to provide services to you. To ensure security and confidentiality, we maintain physical, electronic, and procedural safeguards to protect your privacy. This includes passwords to computer terminals, limited access to client files and locked and electronic third party monitored security of the physical building. Our employees, when working with your information, must protect the integrity and the confidential nature of your information. Our employees are bound by our Code of Ethics and policies to access customer information only for legitimate business purposes and to keep your information confidential.

We reserve the right to modify, add, or remove portions of this privacy notice at any time, but only after we have provided you with written notice of any changes. Because we do not share information with affiliated and non-affiliated third parties without your permission, we do not need to provide an opt-out provision.

We are required by law to annually provide a notice describing our privacy policy. In addition, we will inform you promptly if there are changes to our policy.

If you have any questions about our privacy notice, please call us at (972) 290-0288.

Business Continuation Plan

This document describes the Business Continuation Plan that the Firm will follow in the event a natural disaster, systems failure or loss of access affects company operations. This plan includes a summary of the current services, identification of the services most critical to company operations, and guideline for how these services will be reconstituted following such an event. A copy of the Business Continuation Plan is available upon request.