

FORM ADV Uniform Application for Investment Adviser Registration
Part 2A: Investment Adviser Brochure and Brochure Supplements
Item 1: Cover Page

U Cap Asset Management LLC

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Firm CRD#: 170846

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This brochure provides information about the qualifications and business practices of U Cap Asset Management LLC. If you have any questions about the contents of this brochure, please contact us at the phone number listed above.

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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training.

Additional information about the firm is also available on the SEC's website at
www.adviserinfo.sec.gov

Item 2: Material Changes

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new narrative format. This brochure incorporates much of the same information previously provided within the Form ADV Part II but with expanded disclosures designed to provide further information about the firm, its practices, and its personnel. Material updates to the information contained within this brochure will be provided to clients on an immediate basis. This section is designed to reflect such changes in summary form. Questions regarding the new brochure and/or the information contained herein may be directed to the firm and its representatives.

Additional information about U Cap Asset Management LLC and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov.

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Item 4: Investment Advisory Business

Established in 2014 by Lawrence Howell, U Cap Asset Management LLC (“U Cap”) provides investment advisory services to clients on a discretionary and non-discretionary basis.

U Cap provides investment supervisory services to banks, pension and profit sharing plans, trusts, corporations, accredited investors, family offices and high net worth investors. The firm's investment management strategy is implemented in conjunction with the clients investment objectives, risk tolerance level, liquidity needs, tax and/or legal implications and other concerns where applicable.

The firm provides a range of traditional investment services for high net worth individuals and related entities. Services include asset allocation, financial planning, security and sub-manager selection, tax planning and related services. The foregoing services are provided pursuant to one or more written agreements setting forth the terms and conditions of services rendered.

Since U Cap is a new registrant it has no assets under management as of the date of its initial filing.

Item 5: Fees and Compensation

U Cap charges a management fee of between 0.5% and 2.0% based on a percentage assets under management. The fee structure is expressed on an annualized basis and fees are collected quarterly in arrears.

Management fees are directly debited from the client accounts and are charged in arrears based on the market value of assets on the last trading day of each calendar quarter. In any partial calendar quarter, fees are pro-rated based on the number of days in which the account is open during the quarter.

These fees may be negotiable under certain circumstances, at the sole discretion of the firm.

As licensed insurance agents, employees of U Cap may receive separate compensation in the form of commissions from the sale of insurance products.

Where clients may incur additional expense from brokerage-based activities, clients should be aware that all custodial and execution fees remain separate and distinct from those fees charged by U Cap for its asset management services. Clients should note that the firm and its representatives may receive additional compensation in the form of commissions and 12b-1 distribution fees from mutual fund investments.

All fees paid to U Cap for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders (our clients). These fees

and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge.

Accordingly, clients should review both the fees charged by the mutual funds and the advisory fees charged by U Cap to fully appreciate the total amount of fees to be paid by the client.

U Cap and/or you may terminate the account agreement, in whole or in part, at any time with 30 days written notice. Upon termination, any fees paid in advance will be prorated to the date of termination and any excess shall be refunded to you. Your advisory agreement with U Cap is non-transferable without your written approval.

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

U Cap may accept performance-based fees from “qualified clients”. Such fees are disclosed in investment advisory agreements with the client.

U Cap manages accounts that are charged both an asset-based management fee as described in Item 5 above, as well as performance-based fees as described in this Item 6. U Cap also manages accounts that are only charged an asset-based managed fee or only charged a performance-based fee. The SEC refers to this as “side-by-side management.”

U Cap believes that performance-based fees serve to align U Cap’s interests with the interests of our clients who pay such fees. However, such performance-based fees may create a conflict of interest by giving U Cap a financial incentive to make investment decisions that are riskier or more speculative than those that would be made in the absence of such performance-based fees. In addition, side-by-side management scenarios create a potential conflict of interest by giving U Cap an incentive to devote more resources or allocate more favorable investment opportunities to client accounts that pay performance-based fees instead of those that pay only asset-based management fees.

A variety of measures are in place to mitigate these risks. The most significant safeguard is the fact that, typically, there is no overlap of investment objectives between client accounts that pay performance-based fees and client accounts that do not pay performance-based fees; accordingly, investment opportunities do not often overlap between these types of client accounts. In addition, if such overlap nonetheless occurs, U Cap’s investment allocation policy requires U Cap to allocate investments between competing clients on a fair and equitable basis, having due regard for concentration and other suitability risks, timing in the respective clients’ investment periods, and the portfolio of assets held by respective clients. The primary basis for allocating investment opportunities is finding the best “fit” among competing clients when these metrics are considered.

Item 7: Types of Clients

U Cap provides investment advisory services to banks, pension and profit sharing plans, trusts, corporations, accredited investors, family offices and high net worth investors.

U Cap requires clients to maintain a minimum account size of \$1 million for Investment Management clients. This minimum account size remains negotiable, under certain circumstances, and at the sole discretion of the firm.

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

U Cap's research methods include fundamental and technical analysis. Fundamental analysis is an assessment of various factors including, but not limited to security price, book value, industry and market outlook and other characteristics of the security. Technical analysis employs the use of advanced data aggregation techniques to define certain trends of progressions in market place activity.

Diversification and concentration limits are the first level of risk control. Individual securities may be included in client portfolios only if reviewed and approved by the investment committee.

U Cap's primary approach to asset management utilizes a tactical allocation strategy which has been designed to reduce risk and increase performance. In order to accomplish this objective, U Cap primarily invests in exchange-listed securities, OTC securities, foreign issuers, corporate debt, treasury securities (bonds) and mutual fund shares over the long term.

U Cap may recommend, on occasion, redistributing investment allocations to diversify the portfolio. The firm may make similar recommendations on specific stocks to increase sector weighting and/or dividend potential.

Additionally, the firm may recommend employing cash positions as a possible hedge against market movement, where such movements may adversely affect the portfolio. U Cap may also recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in risk tolerance of client, or any risk deemed unacceptable for the client's risk tolerance.

U Cap's main sources of research information include financial newspapers and magazines, annual reports, prospectuses, filings with the United States Securities and Exchange Commission, company press releases, and research materials prepared by others.

Risk of Loss: Investing in securities involves a certain amount of risk of loss that clients should be prepared to bear. Accordingly, loss of money is a risk of investing in the securities recommended. Clients may be subject to the risk that U Cap may allocate assets to an asset class that underperforms other asset classes. Prices of securities recommended by U Cap may fall. As a result, your investment may decline in value and you could lose money.

The following is a description of the specific material risks relating to the investment strategy employed and types of securities recommended by U Cap:

- **Market Risk:** Prices of securities held by the Fund may fall. As a result, your investment may decline in value and you could lose money.
- **Medium-Cap Companies Risk:** Investments in medium-cap companies may be subject to more abrupt market movements and may involve greater risks than investments in larger companies. Medium-cap company stocks generally trade less frequently and in lower volumes, and may experience difficulty closing out positions at prevailing market prices.
- **Growth Stocks Risk:** The growth style may, over time, go in and out of favor. At times when the growth investing style is out of favor, the Fund may underperform other funds that use different investment styles.
- **Active Trading Risk:** Active trading (“high portfolio turnover”) generally results in correspondingly greater transaction expenses.
- **Asset Allocation Risk:** The Fund maintains an asset allocation strategy and the amount invested in various asset classes of securities may change over time. The Fund is subject to the risk that the Fund may allocate assets to an asset class that underperforms other asset classes.
- **Interest Rate Risk:** The value of debt obligations will typically fluctuate with interest rate changes. These fluctuations can be greater for debt obligations with longer maturities. When interest rates rise, debt obligations will generally decline in value and you could lose money as a result. Periods of declining or low interest rates may negatively impact the Fund's yield.
- **Credit Risk:** Credit risk is the risk that the issuer of the debt obligation will be unable to make interest or principal payments on time. A decrease in an issuer's credit rating may cause a decline in the value of the debt obligations held.
- **Foreign Securities Risk:** Foreign currency fluctuations and economic or financial instability could cause the value of foreign investments to fluctuate. Investing in foreign securities involves the risk of loss from foreign government or political actions. Investing in foreign securities also involves risks resulting from the reduced availability of public information. Foreign investments may be less liquid and their prices more volatile than comparable investments in securities of U.S. issuers.

- **Currency Risk:** The value of the foreign securities may change as a result of changes in exchange rates, reducing the U.S. dollar value of foreign investments.
- **Geographic Concentration Risk:** Global securities performance could be closely tied to the market, currency, economic, political, regulatory, geopolitical, or other conditions in the countries or regions in which a client invests and could be more volatile than the performance of U.S. investments.

Questions regarding these risks and/or increased costs may be directed to the firm and its representatives.

Item 9: Disciplinary Information

Rule 206(4)-4 of the Investment Advisers Act of 1940 requires investment advisers to provide clients with disclosures as to any legal or disciplinary activities deemed material to the clients evaluation of the adviser. Please note, neither the firm nor its personnel have any disciplinary, regulatory, criminal, civil, or otherwise reportable history to disclose at this time.

Item 10: Other Financial Industry Activities and Affiliations

U Cap does not maintain any arrangements with financial industry affiliates.

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

As required by Rule 204A-1 of the Investment Advisers Act of 1940, U Cap has adopted a Code of Ethics that sets forth the basic policies of ethical conduct for all managers, officers, and employees of the firm. The Code of Ethics describes the firm's fiduciary duties and obligations to clients, and sets forth the firm's practice of supervising the personal securities transactions of employees who maintain access to client information. The Code of Ethics is available upon request.

U Cap collects and maintains records of securities holdings and transactions made by employees. The firm reviews the personal trading practices of its employees to identify and resolve any potential or realized conflicts of interest.

U Cap and/or its representatives may purchase or sell investments for their personal accounts that they have similarly recommended to clients.

Item 12: Brokerage Practices

U Cap maintains a fiduciary duty to seek best execution pricing for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include the security being traded, the price of the trade, the speed of the execution, apparent conditions in the market, and the specific needs of the client.

U Cap's primary objective when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as;

- price,
- size of order,
- difficulty of execution,
- confidentiality, and
- skill required of the broker.

U Cap executes its transactions through unaffiliated broker-dealers. Such broker-dealers are chosen based on the following:

- the broker's capital depth,
- the broker's market access,
- the nature and character of the markets for the security to be purchased or sold,
- the execution,
- clearance and settlement capabilities of the broker selected and others considered, and
- the reasonableness of the commission or its equivalent for the specific transaction.

Based on the above criteria, U Cap may not necessarily pay the lowest commission or commission equivalent as specific transactions can involve specialized services on the part of the broker. This would justify higher commissions (or their equivalent) than other transactions requiring routine services.

If U Cap is directed by a client to direct trades to a specific broker dealer other than the custodian typically used by the firm for trade execution, it must be noted that the firm's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained.

All accounts are managed separately. U Cap does not employ any blocking or bunching techniques in the management of accounts. In addition, the firm does not receive any research, products, client referrals, or other services from a broker-dealer or third party in connection with client-based securities transactions (i.e. soft dollars).

Item 13: Review of Accounts

Accounts will be monitored on an on-going basis and formally reviewed at least quarterly by U Cap. Accounts will be reviewed more frequently as necessary to respond to significant changes in client circumstances or changes in market conditions. Triggering factors to warrant more in depth review could include the following;

- Awareness of a change in your investment objective
- change in market conditions
- change in your employment status
- re-balancing of assets to maintain proper asset allocation
- other activity discovered during the account review.

You will receive written brokerage or custodial statements each quarter. You are encouraged to notify us of changes to your personal finances, especially those changes that might adversely affect your investment plan.

U Cap will provide quarterly holdings reports in addition to the quarterly statements that you receive from the broker-dealer or custodian. The reports will generally include a portfolio appraisal, realized and unrealized gains/losses, income and expenses, contributions and withdrawals, and performance history.

Item 14: Client Referrals and Other Compensation

U Cap may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. Pursuant to Section 206 (4)-3 of the Investment Advisers Act of 1940, all appropriate disclosures shall be made, all written documentation will be maintained by U Cap and all applicable federal and/or state laws will be observed.

Item 15: Custody

Account Statements: All assets are held at qualified custodians, which means, the custodians provide quarterly account statements directly to clients at their address of record monthly. U Cap also provides quarterly reports to clients and clients are urged to compare the account statements received from the custodian with the reports received from U Cap.

Fee Deductions: U Cap is deemed to have custody of client assets solely because it deducts advisory fees from client accounts. Other than these client-authorized fee deductions, the firm does not maintain or accept custody of client funds or securities.

Item 16: Investment Discretion

U Cap maintains discretionary authority over the selection and amount of securities to be bought or sold in client accounts without obtaining prior consent or approval from clients. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the firm.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an agreement containing all applicable limitations to such authority. All discretionary trades made by U Cap will be in accordance with each client's investment objectives and goals.

U Cap does not exercise discretion over the selection and amount of securities to be bought or sold in your accounts without obtaining prior consent or approval from you, the client. These purchases and/or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by you, the client and agreed to by us, the Advisor.

Item 17: Voting Client Securities

U Cap has adopted and implemented written Proxy Voting Policies and Procedures ("Proxy Voting Procedures"). These procedures have been designed to reasonably ensure that votes are made in your best interest. The Proxy Voting Procedures describe how U Cap addresses voting authority, material conflicts of interest, voting decisions, notification to you, books and records requirements, etc. and ensures that proxies are voted in the best interest of you, the client.

The firm ensures that any proxies for which it has voting authority are voted solely in the best interests, and for the exclusive benefit, of you, the client. The Proxy Voting Procedures are intended to guide U Cap and its personnel in ensuring that proxies are voted in such manner without limiting the firm or its personnel in specific situations to vote in a predetermined manner. These policies are designed to assist U Cap in identifying and resolving any conflicts of interest with regard to voting client proxies. Clients may obtain information about how we have voted their securities along with a copy of U Cap Proxy Voting Policies and Procedures by calling **(917) 930-3542**.

Item 18: Financial Information

Under Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain financial information about their business practices that might serve as material to the client's decision in choosing an investment adviser.

As of the date of this filing, U Cap does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.