



Firm Brochure

(Part 2A of Form ADV)

This brochure provides information about the qualifications and business practices of Alexandria Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 703-671-5959 or email us at tle@alexandriacapital.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. Additional information about Alexandria Capital is available on the SEC's website at www.adviserinfo.sec.gov.

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MATERIAL CHANGES

Annual Update

The Material Changes section of this brochure will be updated annually when material changes have occurred since the previous release of the Firm Brochure.

Material Changes

Assets and clients of Alliant Wealth Advisors will merge into Alexandria Capital and the combined firm will conduct business as Alexandria Capital, with separate divisions designated as Private Client Group and Qualified Plans. John Frisch will serve as President and Managing Partner of Qualified Plans and serve on the Executive and Investment Committees.

The Firm Brochure may be requested by contacting us at 703-671-5959 or tlee@alexandriacapital.com. Our Firm Brochure is also available on our web site www.alexandriacapital.com.

Additional information about the Advisers is also available via the SEC's web site www.adviserinfo.sec.gov.

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ADVISORY BUSINESS

Company Overview

Alexandria Capital, LLC (ACAP), an SEC-registered investment advisor firm with founding roots in the private wealth advisory business, caters its wealth management and investment services to high and ultra-high net worth individuals, families, business owners, family trusts, endowments and foundations, and other financial guardians, both in the US and abroad.

For over a quarter-century, ACAP has remained committed to the principle of always *“placing the client’s interest first in all that we do.”* Today, with offices in Washington DC, Alexandria, Virginia, Fort Lee, New Jersey and Westlake Village, California, we continue to help our clients protect and grow their wealth in a manner befitting their lifetime of hard work and discipline.

“The conversation between client and advisor is the heart of our firm; all that we do must be borne of and nourish that relationship.”

Augustine Hong, CEO

All clients are advised and supported by a team of experienced financial professionals whose job is to understand our clients and deliver on the promise of the company. This team, in turn, relies on the intellectual and creative depths of its colleagues, and the firm’s special committees and its boards. In other words, clients truly benefit from the collective wisdom of the dedicated fiduciaries and the diverse pool of experiences that make ACAP a distinctive firm to place your trust.

As such, ACAP and its employees adhere to the industry’s highest ethical and professional standards. The firm’s principals and executives furnishing investment and financial advice to clients hold or have held designations in the financial services industry including Chartered Financial Analyst®, Certified Financial Planner®, Personal Financial Specialist, and Certified Public Accountant.

The Core Values of Our Approach

Independence

Your Fiduciary

Objectivity is the hallmark of our service and advice. When selecting an investment advisor, you need to have confidence that he or she is independent from the influences of third party financial institutions. We are a “fiduciary” advisor, putting your interest ahead of all else.

Our Best Thinking

The Ensemble Experience

To give you direct access to our best thinking, we’ve structured our business around centralized research, tax and financial planning, and investment management that you can experience with total transparency. The clients control and shape the workflow and access points to fully benefit from the collective intelligence and experience of the Alexandria professionals.

Customized Portfolios

Attention to Your Details

Your particular circumstances guide the way we manage your money, as we tailor portfolios to your goals, income needs, tax situation and tolerance for risk.

Tax-Sensitive Investing

Keeping More of What You Earn

We leverage the expertise of our in-house tax professionals, who review financial and investment decisions in the context of how they affect your personal after-tax scenario.

A Legacy of Trust

Commitment to You

For over a quarter century, Alexandria has built a proud tradition of integrity, trust and financial excellence. When you entrust Alexandria to serve as your investment advisor, you become part of our family and success.

People

Relationships You Can Invest In

Our advisors are committed financial professionals with vast experience and industry credentials that require on-going continuing education. They typically hold one or more of these credentials: Certified Financial Planner (CFP®), Chartered Financial Analyst (CFA®), Certified Public Accountant (CPA), and Personal Financial Specialist (PFS). All employees of Alexandria go through a periodic audit and review of their activities with their supervisors and peers to ensure accountability, transparency, and teamwork.

Ownership

Alexandria Capital, LLC is owned by Botree Capital Partners, LLC (a New Jersey Limited Liability Company) and Westmount Capital, Inc. (a Delaware Corporation).

In addition, Augustine SC Hong, Charles J. D'Angelo, and John A. Frisch are indirect owners of ACAP due to their ownership interests in Botree Capital Partners, LLC and Westmount Capital, Inc. respectively.

Services *"Labore et virtute."*

(The terms of our motto, hard work and moral excellence, are meant to strengthen us as we pursue the promise and duties of a fiduciary.)

Family Wealth Clients

Alexandria Capital offers wealth management services, which include investment supervisory services, also known as investment or asset management services, financial planning, estate planning, risk analysis, tax and other advisory services depending on a client's personal needs. Our wealth management process involves defining financial and life goals and creating investment strategies best designed to help achieve the desired results based on the client's particular circumstances.

(1) The investment process begins with deciding on an investment strategy. The client's investment strategy will reflect the client's investment objectives, risk tolerance and any investment restrictions that are desired. This understanding is summarized in an "Investment Policy Statement" (IPS) and updated as needed.

ACAP is, usually, given the discretion and authority to manage client investment accounts. This means ACAP is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased or sold, the amount of securities to be purchased or sold, and the broker/dealer to be used and the commission rates to be paid. ACAP actively manages each investment account as changes in market conditions and client circumstances may require.

(2) Financial planning is primarily an analytical process designed to organize financial data, identify needs and opportunities and evaluate alternative courses of action. A financial plan may discuss current net worth, income tax issues, cash flow and budgeting strategies, specific investments and asset allocations, retirement planning, employee benefit plan analysis, estate and gift tax planning, education funding and risk management focusing on life, and health and disability coverage.

The goal is to develop a strategy for the successful management of personal income, assets, and liabilities in meeting the client's financial goals and lifetime objectives. Depending on individual preferences, some form of a written plan may be produced

as part of the wealth management process. We also offer financial planning services as a distinct product, independent of our other wealth management services.

(3) This is a general description of our wealth management process. Because each individual is unique, this general description does not discuss the many individual issues and factors that may be involved in our wealth management process such as tax planning, education funding, estate planning, or charitable giving. Clients are advised that they promptly notify us of all material changes in their financial situation or investment objectives.

Separately, ACAP provides services to clients on matters not involving securities and financial planning, such as, income, gift and estate tax return preparation, and administrative services to aggregate portfolio and financial data.

Individuals responsible for managing client investments and furnishing financial advice are referred to in the SEC rules as Investment Adviser Representatives. Information about each of our Investment Adviser Representatives is available in the documents known as "Supplemental Brochures", which is Part 2B of this form.

Assets Under Management

As of December 31, 2014, the total amount of client assets managed by ACAP was approximately \$426,957,795. Of this total amount, approximately \$410,082,353 was managed on a discretionary basis and \$16,875,442 on a non-discretionary basis.

FEES AND COMPENSATION

Investment Management Fees

ACAP's investment management fees are determined based on the size of the pool of assets. The base annual investment management fee schedule ranges between .65% to 1.25% of Assets Under Management ("AUM"). This fee, which is payable in advance, is based on the value of a client's accounts under management at the beginning of the preceding quarter.

The advance fee for new accounts (when substantial deposits may be received in several installments during the initial quarter), or for existing accounts when unusually large deposits or withdrawals occur during a quarter, are adjusted on a pro-rata basis. Pro-rata adjustment is made on the next quarterly invoice.

The annual minimum fee is \$10,000 per year but is subject to negotiation. The minimum account size is \$1,000,000, and this minimum is also subject to negotiation.

Tax Preparation and Financial Planning Fees

Alexandria Capital charges an hourly rate of \$150 to \$400 per hour for a written financial plan and time spent on preparing and filing tax returns. The anticipated required hours and rate, based on the complexity and the particulars of the case, are quoted prior to the contract being executed. ACAP will, upon a client's request, continue to be available at the above rates for the implementation of the client's plan, any subsequent tax advice, evaluation, analysis function, or specific securities or investment related advice. Annual updates may also be provided upon contracting with the client.

Termination of Client Relationship

Our fees are stated in the Management Agreement that each client signs. This Agreement defines our relationship with the client. It describes the services we will provide and the client's obligations to us. A new client may terminate a Management Agreement within five days of the date of acceptance without any cost to the client. After the five-day period, either party may terminate the agreement by providing written notice to the other party. The client will incur a pro-rata charge for bona fide services rendered during the term of the Management Agreement. If there are any prepaid unearned fees, we will promptly refund a pro rata share to the client.

Direct Debiting of Client Accounts

The client may elect to be directly billed for our services or to have the custodian for the investment account deduct our fees from the investment account. The client must provide written authorization permitting ACAP to debit directly from the custodian. In addition, the account must be held by a qualified independent custodian and the qualified custodian must agree to send to the client an account statement each month.

Each monthly account statement must indicate all amounts disbursed from the account including fees paid directly to ACAP. Clients are informed that it is their responsibility to verify the accuracy of the custodian statement and fee calculation. The investment account custodian will not determine whether the fee is properly calculated.

Mutual Fund Fees

In addition to our Management Fee, clients will also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (e.g. management fees, other fund expenses and short term redemption fees). In addition, clients will incur any transaction charges, including short-term redemption fees, imposed by the Custodian. Please note that ACAP receives none of these fees.

Trading and Other Costs

Our wealth management fees are separate and distinct from transaction fees charged by broker-dealers associated with the trading of securities in investment accounts. Such fees may include commissions, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

Commissions

When clients purchase insurance, annuity, or products through PKS, PKSI, or independent insurance agencies, appropriately licensed individuals of ACAP may receive commission typical of such transaction.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ACAP does not charge any performance-based fees or engage in the practice known as side-by-side management.

TYPES OF CLIENTS

ACAP offers personalized wealth management and investment management services to individuals, families, and their related trusts and estates. Services may extend to other entities related to the client, such as small businesses, charitable organizations, including foundations, endowments, and other entities. Client relationships vary in scope and length of service.

We generally require a minimum of \$1,000,000.00, which is subject to negotiation, per household or family relationship to open and maintain individual investment management accounts. We may waive this minimum requirement based on the facts and circumstances.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Types of Investments

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. Recommendations for new investments will typically be limited to domestic or foreign debt and equity securities, United States municipal and government securities, US registered mutual funds and exchange traded funds, real estate investment trusts (REITS), direct participation programs such as limited partnerships, private placements and options.

Investment Strategies

The primary investment strategy used in client accounts is strategic asset allocation. For most clients, ACAP uses a combination of passively-managed index and exchange-traded funds as core investments, along with actively-managed funds where there are opportunities for them to add value. Portfolios are globally diversified among U.S. equities, foreign equities and high-quality fixed income investments in an effort to control risk.

ACAP may analyze, evaluate, and recommend the initial and continued use of independent individuals, firms, and institutions that may provide investment management services for certain of ACAP's clients. Often referred to as "Separate Account Managers" (SAMs) these organizations may serve as sub-advisors for certain clients' accounts. ACAP will provide overall direction and supervision on such SAM accounts as well as monitor performance and continued adherence to the targeted investment style.

ACAP may utilize different investment strategies, based upon the needs of the client, including long-term purchases, short-term purchases, currency hedging, and option writing.

Methods of Analysis

The main sources of securities information used by ACAP include Morningstar reports and other third-party research materials, fund prospectuses and annual reports, financial newspapers and magazines, inspections of corporate activities, corporate and bond rating services, filings with the Securities and Exchange Commission, and company press releases.

Security analysis methods used by ACAP, or by the funds or portfolio managers used by ACAP, may include charting, fundamental analysis, technical analysis, and cyclical analysis.

Sources of Information

In conducting security analysis, ACAP may utilize the following sources of information: financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the U.S. Securities and Exchange Commission, other comparable sovereign agencies, and company press releases.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following general investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of any security, including bonds, ETFs or mutual funds may drop in reaction to tangible and intangible events and conditions independent of the security itself. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power will erode at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, an oil company's profits depend on finding oil and then refining it, a lengthy process.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash without creating a significant reduction in the price. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business's operations generates risk because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

In addition to these general risks, investors face the following risks with respect to specific types of securities. These include:

Exchange Traded Notes (ETNs)

ETNs may be used on a limited tactical basis to gain exposure to a given asset class and/or to guard against adverse moves in a given asset class (e.g., mitigate heightened market volatility). ETNs are similar to ETFs, but they differ in structure in that they are unsecured debt issued by a bank, meaning ETNs expose the holder to the issuing bank's risk of default.

Exchange Traded Funds (ETFs)

Equity-based exchange traded funds are subject to risks similar to those of stocks. If the securities tracked within an ETF decline, the value of the ETF will also decline. Fixed income-based ETFs are subject to risks similar to those of bonds, such as increasing interest rates. Investment returns will fluctuate and are subject to market volatility so that an investor's ETF shares, when redeemed or sold, may be worth more or less than their original cost.

Leveraged and Inverse Leveraged Exchange Traded Funds (ETFs)

Such ETFs may be used on a limited tactical basis to benefit from potentially favorable moves in an underlying sector or index and/or to guard against adverse moves in a given asset class (e.g., rising interest rates). Compounding risk effects all investments, but has a significant impact on leveraged and inverse leveraged ETFs. Particularly during periods of high index volatility, compounding will cause longer term results to vary from twice (or twice the inverse) the return of the index. This effect becomes more pronounced as volatility increases.

Options

There are numerous risks associated with transactions in options on securities or securities indexes. A decision as to whether, when and how to use options involves the exercise of skill and judgment, and even a well-conceived transaction may be unsuccessful to some degree because of market behavior or unexpected events. As the writer of covered call options, the client forgoes, during the option's life, the opportunity to profit from increases in the market value of the underlying security or the index above the sum of the option premium received and the exercise price of the call, but has retained the risk of loss, minus the option premium received, should the price of the underlying security decline. In the case of index options, the client incurs basis risk between the performance of the underlying portfolio and the performance of the underlying index. For example, the underlying portfolio may decline in value while the underlying index may increase in value, resulting in a loss on the call option while the underlying portfolio declines as well.

Options Strategies

ACAP makes available to its clients a variety of options strategies to assist in protecting portfolios, building asset exposure and enhancing cash flow.

Strategy Overview

Protection – PUT options on individual holdings (e.g., stocks, ETFs or a broad index) may be purchased to help offset a material downside move. Similarly, a “collar” may be employed on specific portfolio holdings. A collar involves the purchase of an out-of-the-money PUT, partially or entirely financed by the sale of an out-of-the-money CALL.

Building asset exposure – As a limit order alternative, cash secured PUT options may be sold to generate cash flow and build asset exposure. Another strategy that may be employed to build asset exposure is the purchase of CALL options on stocks, ETFs or broad indexes.

Cash Flow and protection – Covered CALL selling against existing positions (e.g., stocks and ETFs) may be employed to generate cash flow and help mitigate adverse moves.

Advanced: Tax-advantaged cash flow generation using an index option overlay - This strategy entails the sale of an out-of-the-money index CALL option and/or an out-of-the-money index PUT option in an effort to generate monthly cash flow. Index CALL and index PUT options are purchased to provide protection against an adverse move in the underlying index.

Real Estate Investment Trusts (REITS)

As with all stocks, there are market risks associated with REITs. The value of shares in publicly traded REITs can fluctuate. As investor who sells shares in a REIT could receive more, or less, than the original purchase price. Factors that can influence market risk include general level of real estate property values, which tend to rise and fall with current market conditions. As with any active business, a factor in successful performance lies with management skill. Also, Shares of REITs, especially mortgage REITs, are sensitive to changes in the general level of interest rates. Mortgage REITs respond much like bonds, generally increasing in value as interest rates fall and decreasing in value if interest rates rise.

Cash Management

Cash is invested in a money market fund or FDIC-insured deposit account at the discretion of ACAP.

DISCIPLINARY INFORMATION

Neither ACAP nor any of its Investment Advisory Representatives have ever been disciplined by a regulatory agency.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Registered Representatives of a Broker-Dealer

Certain advisors of ACAP are registered representatives of Purshe Kaplan Sterling Investments (“PKS”), a member of FINRA and SIPC, and may provide clients with securities brokerage services under a separate commission-based arrangement. A potential conflict of interest exists to the extent that ACAP recommends the purchase of a security and its Supervised Person receives a portion of the commissions paid to PKS. ACAP has procedures in place to ensure that all recommendations are made in the best interests of clients, regardless of any additional compensation earned.

Insurance Related Agency

Certain advisors of ACAP are affiliated with PKS Financial services, Inc. (“PKSI”) to be able to offer to sell insurance products under a separate commission-based arrangement. A potential conflict of interest exists to the extent that ACAP recommends the purchase of insurance and its Supervised Person receives a portion of the commissions paid to PKSI. ACAP has procedures in place to ensure that all recommendations are made in the best interests of clients, regardless of any additional compensation earned.

Both PKS and PKSI are unaffiliated with the registered investment advisory (“RIA”) business of ACAP.

CODE OF ETHICS

Alexandria Capital has adopted a Code of Ethics that is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees must annually acknowledge their understanding of the Code of Ethics.

This Code establishes rules of conduct for all employees of ACAP. The Code is based upon the principle that ACAP and its employees owe a fiduciary duty to ACAP’s clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential

conflicts of interest or any abuse of their position of trust and responsibility. ACAP's Code of Ethics is available for review by clients and prospective clients upon request.

ACAP's Code of Ethics requires all employees to report personal securities transactions and provide detailed summary of all holdings and securities accounts upon commencement of employment and quarterly thereafter, in which such Employees have a direct or indirect beneficial interest.

BROKERAGE PRACTICES

Broker Selection

Alexandria Capital generally has the authority to determine the broker dealer to be used and the commission rates paid. ACAP will generally recommend that clients utilize the brokerage and clearing services of TD Ameritrade, Charles Schwab, Pershing or Fidelity.

ACAP does not receive fees or commissions from any of these arrangements.

ACAP may accept client instructions for directing the client's brokerage transactions to a particular broker-dealer. For some clients, ACAP manages assets in clients' companies' Qualified Retirement Plans, where the clients' firm designates the custodial arrangement.

In those cases, where a client designates a specific broker-dealer, ACAP may not have authority to negotiate commissions, best execution may not be achieved, and there may be a disparity in commission charges between clients.

Best Execution

Best execution has been defined by the SEC as the "execution of securities transactions for clients in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances." In seeking best execution, the determinative factor may not be the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive commission rates, we may not necessarily obtain the lowest possible commission rates for account transactions.

Soft Dollars

ACAP participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent [and unaffiliated] SEC-registered

broker-dealer. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program. (Please see the disclosure under Other Compensation.)

Aggregation of Orders

Alexandria Capital will aggregate orders with respect to a security if such aggregation is consistent with achieving best execution for the various client accounts. When orders are aggregated, each participating account receives the average share price for the transaction and bears a proportionate share of all transaction costs, based upon each account's participation in the transaction, subject to ACAP's discretion, depending on factual or market conditions and the duty to achieve best execution for client accounts. Clients participating in block trading may include proprietary or related accounts. Such accounts are treated as client accounts and are neither given preferential nor inferior treatment versus other client accounts. ACAP does not receive additional compensation or remuneration of any kind arising out of the aggregation of client trades.

Allocations of orders among client accounts must be made in a fair and equitable manner. Generally, allocations among accounts with the same or similar investment objective are made pro rata based upon the size of the accounts. There is no allocation to an account or set of accounts based on account performance or the amount or structure of management fees. However, the following factors may justify an allocation that deviates from the general rule:

1. Specific allocations may be chosen based upon an account's existing positions in securities.
2. Specific allocations may be chosen because of the cash availability of one or more particular accounts or because of re-balancing or other account-specific considerations.
3. Specific allocations may be chosen based on a partial fill of the block trade.
4. Specific allocations may be chosen for tax reasons.

REVIEW OF ACCOUNTS

We monitor client accounts on a continuous and best efforts basis and conduct formal reviews with our clients as specified in the client's Management Agreement. Factors that might suggest an account review in addition to the annual review include, but are not limited to, the following: changes in investment strategy, large deposits or withdrawals from the account and changes in the client's financial situation.

Account reviews are performed by ACAP's senior portfolio and relationship managers.

Reports to Clients

ACAP will render a report to each Client on a quarterly basis, which details the Client's portfolio valuation at the end of a calendar quarter, transactions, investment gains and losses, and time weighted return performance. Clients will also receive monthly investment account statements directly from their Custodian. Clients are able to review their investment accounts at any time on their Custodian's secure website. In addition, clients receive a weekly update on the financial markets.

CLIENT REFERRALS AND OTHER COMPENSATION

Client Referrals

ACAP has agreements with firms and individuals, referred to as Solicitors, through which such persons are compensated for (1) referring prospects who subsequently become clients of ACAP and (2) providing, or for being prepared to provide, certain non-investment related services as required by such clients or requested by ACAP. Solicitor's fees are negotiable but generally range between 10% and 20% of the quarterly fees paid to ACAP for investment management services. ACAP's standard investment advisory fees are not increased because of these agreements, nor is any additional charge passed along to a client in any way for the Solicitor's services.

ACAP also has agreements with online referral services, including a firm called Paladin, which maintains, circulates and makes available resumes for ACAP Advisors. Alexandria Capital pays a monthly retainer for these services (\$289 per month). ACAP has in the past, and expects in the future, to initiate similar arrangements with other companies or referral sources.

Additional referrals come from current clients, estate planning attorneys, accountants, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

ACAP does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

OTHER COMPENSATION

ACAP participates in institutional service programs with TD Ameritrade and Charles Schwab. While there is no direct link between the investment advice given and participation in the institutional program, economic benefits are received which would not be received if ACAP did not give investment advice to clients. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk servicing institutional advisors exclusively, ability to have investment advisory fees deducted directly from a client's account, availability of

electronic communications software and networks for order entry, account information, quotes, general business and securities information; receipt of compliance and investment publications; and access to mutual funds which may waive stated minimum initial investments or which may only be available to customer of institutional clients. ACAP may also have access to certain share classes, typically called Class I shares, that are unavailable to others, based on ACAP's willingness to commit to invest a specific dollar amount in the mutual fund(s) offering the Class I Shares.

In addition, broker-dealers, mutual fund sponsors and Separate Account Managers (SAMs) with whom client accounts are maintained or clients' funds are invested, often offer advisors other benefits which may not be available if the advisor does not maintain client's accounts or place client's investments with such persons:

- Referral of prospective clients.
- Educational conferences and seminars at no charge or reduced rates. Frequently such conferences and seminars may include cocktail receptions, meals, and entertainment. Air and/or ground transportation to and from the conference and lodging may be included at no cost or at reduced rates.
- Arranging for continuing education credits for attendance at conferences and seminars or participation in online or telephonic conferences sponsored and/or organized by the broker/dealer, mutual fund sponsor or SAM. Typically, conferences or seminars are devoted to topics such as investment analysis, income or estate taxes, retirement planning, educational planning, insurance, economics, international investing, etc., that helps ACAP associates meet educational requirements to maintain designations such as CPA, PFS, CFP®, or CFA.
- Invitations to affairs such as dinners, charity balls, sporting events, and golf tournaments.
- The opportunity to participate in group discounts for investment software, portfolio management and reporting systems, computers, travel, etc. which smaller firms may not be in a position to arrange or negotiate independently. However, similar arrangements are frequently made available by professional organizations such as the American Institute of Certified Public Accountants and the Financial Planners Association.
- Travel, lodging, and meals for due diligence meetings that offer the opportunity to meet portfolio managers of mutual fund and exchange traded funds and discuss specific investments in which ACAP may invest funds on behalf of clients or may be evaluating for future investments.

ACAP considers a number of factors in selecting brokers and custodians at which to locate (or recommend location of) its client accounts, including, but not limited to,

execution capability, experience and financial stability, reputation and the quality of services provided. In selecting TD Ameritrade Institutional (“TD Ameritrade”) as the broker and custodian for certain of its current and future client accounts, we take into consideration its arrangement with TD Ameritrade as to obtaining price discounts for TD Ameritrade’s automatic portfolio rebalancing service for advisors known as “iRebal”.

The standard iRebal annual license fee applicable to ACAP is \$20,000.00. That fee is subject to specified reductions (and even complete waiver) if specified amounts of client taxable assets are either already on the TD Ameritrade platform or are committed to be placed on it. TD Ameritrade will waive the annual license fee contingent upon \$25 million in taxable net new assets (NNA) to TD Ameritrade per contract year. Should any annual asset target not be reached, TD Ameritrade will invoice ACAP for the applicable annual license fee prorated by the percentage shortfall from that year’s net new asset target.

The non-taxable assets excluded from the maintenance and commitment levels described above are those that constitute “plan assets” of plans subject to Title 1 of the Employee Retirement Income Security Act of 1974, amended, or of plans as defined in Section 4975 of the Internal Revenue Code (which include IRAs).

If ACAP does not maintain the relevant level of taxable assets on the TD Ameritrade platform, we may be required to make a penalty fee payment to TD Ameritrade calculated on the basis of the shortfall.

Although ACAP believes that the products and services offered by TD Ameritrade are competitive in the market place for similar services offered by other broker-dealers or custodians, the arrangement with TD Ameritrade as to the iRebal service may affect ACAP’s independent judgment in selecting or maintaining TD Ameritrade, as the broker or custodian for client accounts.

CUSTODY

Custody of client assets will always be maintained with the independent custodian selected by the client. ACAP will not have physical custody of any client assets. ACAP is permitted to direct the Custodian to deduct fees directly from client investment accounts maintained by the Custodian. Clients are responsible for paying all fees or charges of the custodian.

Clients will receive on a monthly basis, directly from the custodian an account statement showing all holdings and transactions occurring in the client’s account during the period covered by the account statement. Clients are urged to carefully review the account statement sent by the Custodian and compare them with ACAP’s quarterly report.

INVESTMENT DISCRETION

Alexandria Capital is usually given the discretion and authority to manage client investment accounts. This means ACAP is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased or sold, the amount of securities to be purchased or sold, the broker/dealer to be used and the commission rates to be paid. Of course, our discretion must be exercised in a manner consistent with the stated investment objectives, limitations, and restrictions for each investment account.

Clients authorize ACAP to give the custodian instructions by completing a document called a Limited Power of Attorney for the investment account.

VOTING CLIENT SECURITIES

ACAP does not vote proxies on behalf of its clients. ACAP directs the investment account Custodian to forward directly to the client copies of all proxies and shareholder communications relating to the client's investment assets. Each client tells the Custodian how to vote proxies. The client also makes all elections relative to any corporate action notification such as mergers, tender offers, or bankruptcy proceedings. ACAP realizes that voting requests range from routine matters to unique situations. If a client has a specific question about a voting matter the client should contact our Chief Compliance Officer for assistance.

PRIVACY POLICY

ACAP has policies and procedures to keep client information private and secure. We do not disclose any nonpublic personal information about our clients or former clients to any nonaffiliated third parties, except at the request of a client or as permitted or required by law. In the course of servicing a client's account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers. We restrict internal access to nonpublic personal information about the client to those persons who need access to that information in order to provide services to the client and to perform administrative functions. For the full text of our Privacy Policy, please contact our Chief Compliance Officer.

FINANCIAL INFORMATION

Alexandria Capital does not have any adverse financial conditions to disclose and we have never been the subject of a bankruptcy petition.