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Form ADV Part 2 Brochure

March 27, 2017

This brochure provides information about the qualifications and business practices of Alexander Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (561) 853-2253 or frankalex345@gmail.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Alexander Capital Management, Inc. is available on the SEC's web site at www.adviserinfo.sec.gov.

Alexander Capital Management, Inc. is a registered investment adviser. Registration does not imply a certain level of skill or training.

MATERIAL CHANGES

Since the last annual update, dated March 30, 2016, there have been no material changes.

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ADVISORY BUSINESS

Alexander Capital Management, Inc. (“ACM”) has been advising its investment advisory clients with respect to the purchase and sale of equity and debt securities since 1985. Francis J. Alexander is the President, Chief Compliance Officer and sole owner of ACM.

ACM generally provides discretionary investment advisory services to its clients on a wide range of equity and debt securities, according to each client’s specific investment objective. ACM meets with clients individually in order to tailor each client’s investment portfolio to meet the needs of the client. Clients may impose restrictions on the specific securities or types of securities in which their portfolio is invested. ACM does not provide investment advisory services to clients that seek short-term trading strategies.

ACM also may provide advice to clients on issues related to other types of investments as necessary during the course of ACM’s engagement with a client (*e.g.*, ACM may provide investment advice to a client on issues relating to other types of assets that the client may already own). ACM generally does not offer non-discretionary investment advisory services to clients.

As of March 15, 2017, ACM manages approximately \$25,200,000 in client assets on a discretionary basis and does not manage any client assets on a non-discretionary basis.

FEES AND COMPENSATION

Investment advisory fees charged to clients for investment advisory services performed by ACM generally are not negotiable; however, fees for trust accounts (including IRA accounts and IRA Rollover accounts) are negotiable.

ACM’s fee schedules for its advisory services are as follows:

- With respect to equity accounts of over \$500,000, a fee of:
 - (i) 1.00% per annum of the first \$1,000,000 of the market value of all securities in the client’s account (“market value”); and
 - (ii) 0.75% per annum of the market value above \$1,000,000.
- With respect to accounts consisting exclusively of fixed income securities, a fee of 0.50% per annum of the market value.

ACM reserves the right to negotiate and/or change its fee schedules for new or existing clients, while continuing to charge some or all of its existing clients on the basis of fees and agreements in force prior to the change.

All investment advisory services are provided pursuant to an investment advisory agreement between ACM and each client. Generally, pursuant to such investment advisory agreements, fees are due for services quarterly in advance. When fees are due, ACM will send a fee invoice to each client and to the client’s custodian simultaneously, after which the custodian will deduct such fees from the client’s account and provide the fees to ACM. Each client’s custodian will send an account statement to each client quarterly. Clients are urged to compare the account

statements sent by your custodian with the account statements that you receive from ACM. Investment advisory agreements may be terminated by providing written notice to ACM.

Clients may terminate the investment advisory agreement within 5 days of the signing of the agreement, without penalty. Thereafter, a prorated refund will be provided to the client upon written 30 days' notice based on the number of days remaining in the applicable quarter subsequent to termination. Prorated refunds will also be provided to a client for a partial withdrawal of funds from an account, should the client withdraw funds equal to or greater than 25% of the market value of the account at the beginning of the period. This 25% calculation will be cumulative for withdrawals during a quarterly billing period, and will be prorated on the basis of the number of days that remain in the applicable quarter subsequent to the date at which the 25% mark was reached or exceeded.

In addition, additional fees will be billed for additional contributions made to an account equal to or greater than 25% of the market value of the account at the beginning of the period. The 25% calculation will be cumulative for such additions during the quarterly billing period, and will be prorated as described above.

The fees charged by ACM do not include any custodian fees that a client may have to pay to a custodian. Brokerage commissions, transaction charges or other similar charges that may be incurred in connection with the management of a client's account are generally paid out of the assets in the client's account and are in addition to the fees a client pays to ACM for investment advisory services. For more information on brokerage costs, see "Brokerage Practices" below.

Any mutual fund shares held in a client's account may also be subject to sales charges, 12b-1 fees, short-term redemption fees and other mutual fund expenses. Fees and expenses of mutual funds in which a client may invest are fully disclosed in the mutual fund's prospectus. The fees charged by ACM are separate and distinct from any fees and expenses charged by mutual funds. Mutual funds generally pay advisory fees to their investment advisers and such fees would be paid indirectly by all mutual fund shareholders. If a client has mutual funds in its account, the client is effectively paying both ACM and the mutual fund investment adviser for the management of the assets in the client's portfolio.

ACM, its supervised persons and its affiliates do not receive compensation for the sale of securities or other investments, including the sale of mutual fund shares, to ACM's clients.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

ACM does not receive performance-based fees for any of its investment advisory services.

TYPES OF CLIENTS

ACM offers investment advisory services primarily to high net worth individuals and charitable organizations.

The minimum account size for fixed income securities is \$2,000,000. The minimum account

size for equity securities is \$1,000,000, except that: (a) if, in a group of affiliated persons and/or entities one account exceeds \$1,000,000, additional accounts may be smaller than the aforementioned minimum; and (b) with respect to trust accounts that invest in equity securities, the minimum size is \$150,000.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

ACM seeks to invest client assets in a mix of global debt and equity securities that best fit the client's long-term financial goals. Our primary strategy is to invest for the long-term. As previously mentioned, ACM does not provide investment advisory services to clients with short-term trading strategies as we do not believe that we or anyone else has the ability to predict short-term movements in securities markets. However, over long periods of time, carefully selected equities have a strong probability to generate highly satisfactory investment returns.

Being long-term oriented, ACM emphasizes equities in its mix of assets, since history has generally shown that this asset class has consistently produced the highest investment returns over long periods of time. Debt securities are used to provide safety during periods of extreme stress in equity markets and to fulfill specific client needs for low price-volatility or for high and stable current income.

In pursuing each investment strategy, ACM may use fundamental and/or technical methods of security analyses to determine which securities are the most attractive investments. ACM uses the following sources of information in researching particular investments for its strategies, among others:

- financial newspapers and magazines;
- direct interviews with corporate management of companies considered for investment;
- research materials prepared by others;
- corporate rating services;
- annual reports, prospectuses and other filings with the SEC; and
- company press releases.

ACM may invest the assets of its clients' accounts in any of the following types of investments pursuant to the client's investment objectives and policies:

- equity securities of U.S. or foreign issuers (including exchange-listed and over-the-counter (OTC) common stock, preferred stock, convertible securities and warrants, among others);
- corporate or government debt securities of U.S. or foreign issuers or countries (including commercial paper, certificates of deposit and municipal securities, among others);
- investment company securities;
- options contracts on securities; and
- any other investments that ACM feels would be appropriate for a particular client under the individual facts and circumstances.

Equity Investing

ACM has a fundamental value approach to investing in equities. We believe that a thorough and insightful analysis of a company's business history and prospects can unearth exceptionally good businesses. Such businesses, when purchased at reasonable prices, should yield above average investment returns over time.

ACM believes that good value can be found in both small and large market capitalization stocks and therefore looks to find attractively valued investments in all of these areas from micro-capitalizations to the very largest of global corporations. ACM feels that it is unnecessary, even for diversification needs, to force arbitrary capitalization size allocations into our clients' investment portfolios.

We believe that superior investment value can be found in both so-called "growth" and "value" stocks and feel that these classifications are arbitrary and have little meaning. Therefore, we are agnostic as to these categories when selecting stocks for clients. We achieve adequate diversification by holding at least twenty-five stocks in a variety of at least five different industry groups.

ACM looks to invest in businesses for our clients that will generate superior investment returns with relatively low risk over long periods of time. We believe that businesses that fulfill this promise will have most of the characteristics described by the following tenets:

Business Tenets – The business should:

- be simple and understandable;
- have a consistently strong operating history; and
- have favorable long-term prospects due to inherent competitive advantages that will allow it to sustain strong operating results well into the future.

Management Tenets – Management should:

- be shareholder friendly by acting as owners rather than bureaucrats;
- be rational in their allocation of capital;
- resist the institutional imperatives of pursuing growth at any price, and be careful and abstemious when using stock (diluting shareholder ownership) for acquisitions or for executive or director's compensation;
- be 'outside of the box' thinkers, avoiding the easy path of following the crowd and conforming to accepted truths; and
- be candid with their shareholders.

Financial Tenets – The business should:

- consistently generate high profit margins and high returns on invested capital (ROIC);
- generate strong free-cash flow; and
- have a strong balance sheet.

Market Tenets

- Shares of the business should sell at a market value lower than its intrinsic business value based on its competitive strengths, financial strength, levels of profitability, ROIC and potential for profitable growth.
- This market value should be sufficiently low as to ensure a significant margin of safety.

Other Philosophical Bents

ACM follows the dictum that it is better to buy great businesses at reasonable prices than to buy mediocre businesses at great prices. In addition, we ignore the popular ‘growth versus value’ construct since we believe that it misses the point. Growth is merely another component of the value equation and, to the extent that it improves competitive strength, increases overall profitability or ROIC, it adds value to the business.

We avoid those growth businesses that generate marginal ROIC lower than the cost of the capital to finance it, since such growth destroys investment value over time.

Fixed Income Investing

The ACM fixed income strategy will always emphasize safety and liquidity as a base construct. This invariably involves using primarily U.S. Treasury securities as well as guaranteed short-term investments to meet various client objectives. Risks will be taken primarily by extending maturities to enhance income generation specific to client needs. Where appropriate, various immunization strategies will be used to ensure that future bond cash flows will meet client specific income requirements.

Investment Risks

As with all investments, you can lose money by investing in equity and fixed income securities. Investing in securities involves the risk of loss of some or all of your investment. You should be prepared to bear the loss of your investment before investing.

The following are additional risks applicable to investments according to ACM’s strategy:

Stock Market Risk - The market value of securities may go up and down, sometimes rapidly or unpredictably. A security’s market value may fall due to market activity or due to supply and demand.

Smaller and Mid-Sized Companies Risk - Securities issued by smaller and midsize companies may be more volatile in price than those of larger companies and may involve additional risks, including that such companies may be more sensitive to economic conditions, may have less certain growth prospects, may lack depth of management and funds for growth and development, and may have limited or less developed product lines.

Management Risk - The investment techniques and risk analysis used by ACM may not produce the desired results.

Interest Rate Risk - When interest rates rise, debt security prices generally fall. The opposite is also true: debt security prices rise when interest rates fall. In general, securities with longer maturities are more sensitive to these interest rate changes.

Credit Risk - An issuer of debt securities may fail to make interest payments and repay principal when due, in whole or in part.

Income Risk - Distributions to a client may decline when prevailing interest rates fall.

Foreign Securities Risk - Investing in foreign securities typically involves more risks than investing in U.S. securities. These risks include risks related to currency exchange rates and policies, country or government specific issues, less favorable trading practices or regulation and greater price volatility.

DISCIPLINARY INFORMATION

ACM does not have any legal or disciplinary events to disclose that are material to a client's or prospective client's evaluation of ACM's advisory business or the integrity of its management.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Francis J. Alexander, the President and Chief Compliance Officer of ACM, is also a member and manager of Jacob Asset Management of New York LLC, a federally registered investment adviser ("JAM"). JAM is the investment adviser to the Jacob Internet Fund, the Jacob Small Cap Growth Fund, the Jacob Micro Cap Growth Fund and the Jacob Wisdom Fund, which are series of Jacob Funds Inc., a registered open-end investment company (the "Jacob Funds"). Mr. Alexander serves as a portfolio manager of the Jacob Internet Fund, the Jacob Small Cap Growth Fund and the Jacob Wisdom Fund. The assets of ACM's clients are not invested in any of the Jacob Funds.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The officers, directors and employees of ACM, and their respective immediate family members, are generally prohibited from buying or selling for their own account any security that is also recommended to clients if the transaction conflicts with the interests of a client. ACM utilizes a Code of Ethics (the "Code") and an Insider Trading Policy, both as described below, in order to help ACM protect the interests of its clients and to guard against any violations of applicable federal securities laws.

ACM adopted the Code pursuant to the requirements of Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code is based on the principal that all employees of ACM and certain other persons have a fiduciary duty to place the interests of clients ahead of their own and to ensure that all employees avoid activities, interests and relationships that might interfere with making decisions in the best interests of clients. The Code requires that all

employees (i) place the interests of clients first; (ii) avoid taking inappropriate advantage of their position; and (iii) conduct all personal securities transactions in full compliance with the Code, including both preclearance and reporting requirements. In addition, the Code mandates that all employees of ACM must give first priority on all purchases and sales of securities to ACM's clients, prior to the execution of transactions for their accounts. The Code imposes duties and restrictions on the employees of ACM with respect to complete confidentiality of all client information, accepting gifts and taking advantage of any opportunity properly belonging to a client or ACM.

The Code utilizes preclearance requirements and quarterly and annual reporting requirements for all personal holdings and transactions in order to prevent an employee from investing in securities in which the client is or will be invested in violation of the Code. The Code lists several exceptions, however, which allow purchases or sales effected in any account over which the employee has no direct control and purchases which are part of an Automatic Investment Plan. The Chief Compliance Officer ("CCO") shall monitor the personal investing of employees of ACM to detect violations of the Code. All employees of ACM shall immediately report any potential violations of the Code to the CCO. The CCO is responsible for imposing appropriate sanctions on violators. Also, all employees must initially and annually certify compliance with the Code.

In addition, ACM has also adopted an Insider Trading Policy that is designed to prevent the misuse of material, nonpublic information by ACM and its directors, officers, managers, members or employees. The Insider Trading Policy expressly forbids all directors, officers, managers, members or employees from trading, either personally or on behalf of others, on material non-public information or communicating material nonpublic information to others in violation of the law. The Insider Trading Policy contains detailed procedures to implement and maintain ACM's prohibitions on insider trading and reporting and certification requirements to ensure that the Insider Trading Policy is properly administered and followed.

ACM will provide a copy of the Code to any client or prospective client upon request.

BROKERAGE PRACTICES

In some cases, ACM has full authority and discretion to engage any broker-dealer to execute investment decisions and transactions for a client that, in ACM's opinion, is capable of providing best execution. In selecting broker-dealers to effect client transactions, ACM considers a number of factors including security prices; brokerage commission rates; the reliability, integrity, financial condition and execution capabilities of a broker-dealer; and research and other brokerage services provided by a broker-dealer.

When appropriate under its discretionary authority and consistent with its duty to obtain best execution, ACM may direct brokerage transactions for client accounts to broker-dealers who provide ACM with research and brokerage services. The brokerage commissions used to acquire these services are known as "soft dollars." Section 28(e) of the Securities Exchange Act of 1934 and related SEC interpretive materials provide a "safe harbor" which allows ACM to pay for research and brokerage services with soft dollars generated by client account transactions.

Section 28(e) permits ACM, under certain circumstances, to cause client accounts to pay broker-dealers a commission for effecting portfolio transactions in excess of the commission another broker-dealer would have charged to effect such transactions. Broker-dealers typically provide a bundle of services, including research and execution. The services provided can be either proprietary (created and provided by the broker-dealer, including tangible research products as well as access to analysts and traders) or third-party (created by third-party but provided by broker-dealer). ACM may use soft dollars to acquire either type. It is not generally possible to place a dollar value on the special executions or on the research services ACM receives from broker-dealers effecting transactions in portfolio securities. Accordingly, ACM may pay broker-dealers commissions for effecting clients' portfolio transactions in excess of amounts other broker-dealers would have charged for effecting similar transactions if ACM determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or ACM's overall duty to its discretionary accounts.

In determining whether a service qualifies as research or brokerage, ACM must evaluate whether the service or product provides lawful and appropriate assistance to it in carrying out its investment decision-making responsibilities. Brokerage and research services that may be provided under Section 28(e) include furnishing advice as to the value of securities and as to the advisability of investing in, purchasing or selling securities, and effecting securities transactions and performing functions incidental thereto (such as clearance, settlement, and custody). ACM will not enter into any agreement or understanding with any broker-dealer which would obligate ACM to direct a specific amount of brokerage transactions or commissions in return for such services. However, certain broker-dealers may state in advance the amount of brokerage commissions they require for certain services and the applicable cash equivalent.

When ACM uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, it receives a benefit because it does not have to produce or pay for the research, products or services. ACM may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. ACM uses soft dollar benefits to service all of its clients' accounts, not only those that paid for the benefits, and does not seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

The following are products and services acquired with soft dollar credits over the past fiscal year: analyses and reports concerning the general economy, financial markets and specific industries and companies; portfolio and market strategies; statistical compilations and computations; outside business publications; securities quotation services; computer portfolio services; investment conferences; and clearance, settlement and custodial services.

Generally, investment opportunities are allocated to different clients for which a given investment opportunity is suitable on a pro rata basis. However, the allocation may be changed from pro rata where a good reason to do so exists, such as that the pro rata allocation would result in such small allocations to a particular investor that it is not cost effective or meaningful. In connection with purchases or sales of securities, client trades may be aggregated with other clients and may also be aggregated with trades for the Jacob Funds, for which Mr. Alexander

serves as portfolio manager. Trades will only be aggregated when specific purchases and sales are appropriate for all accounts (or funds) involved and only when ACM believes its investment advisory clients will not be disadvantaged. If a transaction can only be partially completed, the transaction shall be allocated pro rata based to the individual clients. Aggregating trades may result in slightly reduced trading costs for clients.

A client may direct ACM to use a particular broker-dealer to execute transactions for the client's account. In these circumstances, clients must understand that: (A) in directing ACM to use a particular broker-dealer, ACM may not be in a position where it can freely negotiate commission rates or spreads, or select broker-dealers on the basis of best price and execution; (B) such directed brokerage transactions may not be aggregated with other trades for purposes of execution with orders for the same securities for other accounts managed by ACM; and (C) accordingly, the client's direction of a particular broker-dealer to execute transactions for the account may result in higher commissions, greater spreads or less favorable net prices than might be the case if ACM were empowered to freely negotiate commission rates or spreads, or to select broker-dealers on the basis of best execution.

REVIEW OF ACCOUNTS

Mr. Alexander reviews all securities held on a daily basis, which, in turn, may trigger his immediate review of all investment advisory accounts in order to appropriately maintain each client's portfolio with the alignment of each client's investment policy and strategy.

Clients will receive statements of their portfolio holdings quarterly. Portfolios are also reviewed with clients regularly through telephone contact and at least quarterly through personal visits or through a formal review letter.

CLIENT REFERRALS AND OTHER COMPENSATION

ACM does not receive any additional economic benefit for providing investment advisory services to its clients other than the investment advisory fees received from its clients pursuant to investment advisory agreements and the "soft dollar" benefits it may receive for its investment advisory services, as described previously.

In addition, ACM does not directly or indirectly compensate any person for client referrals.

CUSTODY

Any investment advisor having custody or access to customer funds or securities must comply with certain rules and regulations designed to protect the clients' assets. Rule 206(4)-2 of the Investment Advisers Act of 1940 details strict requirements governing investment advisors that have "custody" over client securities or funds. ACM meets the definition of having custody due to the following circumstances:

- ACM directly debits fees from client accounts

ACM does not have physical custody of any client funds and/or securities. Client funds and securities will be held with a bank, broker dealer, or other independent qualified custodian. You will receive account statements from the independent, qualified custodian holding your funds at least quarterly. The account statement from your custodian will indicate the amount of advisory fees deducted from your account(s) each billing cycle. Clients should carefully review statements received from the custodian. ACM also sends statements detailing the manner and amount of advisory fees to all clients.

INVESTMENT DISCRETION

ACM has discretionary authority to determine and, in some cases, execute, without obtaining the client's consent, the type and amount of securities to be bought or sold within each client account. Clients may place limitations on this discretionary authority as to the types of securities or investments in which ACM may invest a portfolio's assets or restrictions as to certain securities or investments that are prohibited from being bought or sold for a client's account. ACM's discretionary authority is provided in an investment management agreement entered into between ACM and the client.

VOTING CLIENT SECURITIES

Each client's investment advisory agreement provides whether ACM, the client or another party will be responsible for voting proxies relating to the securities held in a client's portfolio.

If ACM is responsible for voting proxies relating to securities held in any client account, ACM will vote such proxies in a manner solely in the interest of the client. ACM will consider only those factors that relate to the client's investment, including how its vote will economically impact and affect the value of the client's investment. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders. Alternatively, proxy votes generally will be cast against proposals having the opposite effect. In voting on each and every issue, ACM will establish a proxy voting committee responsible for voting proxies in the best interests of ACM's clients. The CCO will be the chair of this committee, will be responsible for decisions on proxy voting and will vote in a prudent and diligent fashion after a careful evaluation of the issues presented on the ballots.

In addition to the aforementioned policies, ACM has adopted the following proxy voting procedures: (1) the CCO will be responsible for voting proxies related to an account unless the power to vote is reserved by a client; (2) all proxies and ballots will be logged in upon receipt and materials forwarded to the CCO; (3) prior to voting, the CCO will verify his/her authority to vote and determine whether there are any client guidelines he/she must follow; (4) the CCO will promptly vote proxies received in a manner consistent with ACM's policies and procedures and any client guidelines; (5) the CCO will note on the cover page of a proxy how he/she voted on each issue; (6) the CCO will regularly monitor corporate management of issuers whose securities are held by clients whose accounts he/she manages, and communicate with management where

appropriate; (7) the CCO will periodically (a) verify that all annual proxies have been received, (b) that each proxy received has been voted in accordance with ACM's policies and procedures and any client guidelines, (c) review files to verify that voting records have been properly maintained, and (d) notify clients that proxy voting records for their account are available upon request.

Clients may request a copy of ACM's proxy voting policies and procedures, or proxy voting records for their accounts, by calling or emailing ACM.

FINANCIAL INFORMATION

There are no financial conditions that are reasonably likely to impair ACM's ability to meet its contractual commitments to its clients. In addition, ACM does not require or solicit the prepayment of \$1,200 or more, 6 or more months in advance.

REQUIREMENTS FOR STATE-REGISTERED ADVISERS

This is not applicable, as ACM is a Securities and Exchange Commission Registered Investment Advisor.