

Firm Brochure
(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Montvest. If you have any questions about it, please contact us by phone or email. 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.

More information about Montvest is available on the SEC's website at www.adviserinfo.sec.gov. Investment Advisor registration does not imply a certain level of expertise.

Material Changes

There are no material changes from our last annual update of our ADV Part II filed in January 2011. This brochure (the new Adv Part 2) does contain additional material and further clarification as required by Final Rule of the Securities and Exchange Commission effective October 12, 2010.

February 1, 2012

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Advisory Business

Introduction

MONTVEST specializes in offering investment advice and portfolio management services on a fee only basis. MONTVEST does not sell securities of any type nor does it have relationships with other securities firms. As a legal fiduciary we must provide recommendations that are in the best interests of our clients. Since we do not sell securities or other financial products, we receive no commissions nor any economic reward for making recommendations to clients. MONTVEST is not a financial planner and does not provide comprehensive financial planning services. We do not give legal, tax, or accounting advice. However, we are available to work with the client's attorney or accountant on matters pertinent to the services provided by MONTVEST. We do not and will not make any claims nor guarantee the results of any of our recommendations.

Investment Philosophy

Our investment philosophy is to design individualized investment strategies which can increase returns and at the same time reduce risk over time. The foundation of this approach is based upon Modern Portfolio Theory which we use to formulate the core of each client's portfolio. The basis for every strategy is the client's personal financial situation, needs, and objectives. We employ asset allocation techniques which are based upon the client's investment objectives and tolerance for risk. Every portfolio is diversified to reduce risk and to maintain stability of capital while minimizing costs. Since our outlook is long-term, we do not engage in short-term trading practices. However, we may recommend changes in asset allocations due to significant changes in economic or market conditions. MONTVEST does not recommend or manage direct investments in commodities or other financial derivatives, precious metals, options, real estate, insurance annuities, limited partnerships or other illiquid investments. We may recommend the use of mutual funds that do utilize financial derivatives however. We generally will not recommend initial public offerings in firms without a performance record.

At Montvest, we strongly believe that the most effective and cost efficient implementation is using low cost index funds or passively managed mutual funds whenever possible. We think it is more important to capture the market return in a given asset class rather than hoping for above-average returns that most actively managed funds try to achieve. Some asset classes may not have passive investment alternatives and in those cases we may use actively managed no-load mutual funds or individual securities. We make extensive use of Dimensional Fund Advisor's (DFA) mutual funds and other low cost institutional mutual funds. DFA is an institutional mutual fund company with many passively managed funds which are available through a select number of approved Registered Investment Advisors such as Montvest.

Services Offered

MONTVEST primarily provides continuous investment management services for clients. We also offer specialized investment consultations on an hourly basis. Continuous investment management services may be performed on either a discretionary or non-discretionary basis. Investment management services require a complete financial and investment review of the client's current financial position which is included in our management fee. Montvest will seek investment discretion on all accounts. This means Montvest can purchase or sell any security without the client's specific consent. We will not have authority to make discretionary investment decisions for clients unless authorized by the client in the firm's Investment Advisory Agreement. The client may limit our discretion in this agreement and may modify or add any restrictions at any time with written notification to Montvest. Our investment advisory agreement may be terminated by either party in writing.

Implementation

We work closely with each client in formulating a personalized investment strategy. Once we ascertain the client's investment objectives and risk tolerance, we will recommend the most appropriate long term investment allocation of their financial assets. We then recommend specific securities within each asset class, utilizing both active and passive investment strategies. These steps help to insure a strategic and well diversified portfolio designed to help achieve the client's expected returns. Implementation will involve recommending publicly traded securities. These include common stocks, preferred stocks, warrants, corporate debt securities, municipal securities, U.S. Government Securities, exchange traded funds (ETF's) and no-load mutual funds. All investment alternatives are carefully reviewed and screened before recommending them to clients. Specific investment alternatives are analyzed from a long-term strategic perspective and their contribution to the portfolio's return and risk. Careful scrutiny is made of transaction costs to minimize their impact on portfolio returns. We conduct diligent, independent research before making recommendations to clients.

Firm History and Assets Managed

Montvest LLC has been in business as a Registered Investment Advisor (RIA) since 1994. The firm is owned by William F. Muhs (see Item 19) and has no subsidiaries nor do we engage in wrap-fee programs. As of December 31, 2011 the total amount of assets under management was \$27,757,104 in discretionary accounts.

Fees and Compensation

Fees are charged by the hour for specialized investment consultations. The hourly rate is \$150 and will be billed monthly. There is a minimum charge of two hours for specialized investment consultations. For investment management services, the fee is 9/10ths of one percent (.009) of

the first \$500,000 in assets under management. The rate for the second \$500,000 is 7/10ths of one percent (.007). Fees are negotiable for accounts over \$1 million. The minimum investment for managed accounts is \$500,000. All fees are billed at the end of each quarter. There is no charge or obligation for an initial consultation. Clients are given the option of direct billing for fees incurred or having their fees deducted from their custodial account. Permission for the latter must be given in the Investment Advisor Agreement. All fees are paid in arrears and are adjusted for capital inflows and outflows on a daily pro-rated basis. We will not collect advisory fees in advance under any circumstances.

Clients may incur brokerage fees for securities purchased or sold through their custodian. Mutual funds and exchange traded funds (ETF's) also incur management fees. We recommend only no-load mutual funds. The client's custodian may charge additional fees for special services such as overnight mailings; personal checks; corporate actions; and stock certificate changes. Montvest does not receive any portion of these fees. Please see the section on Brokerage Practices for further information.

Performance-Based Fees

This item is not applicable as Montvest does not accept performance-based fee arrangements.

Types of Clients

Montvest provides investment advice to individual investors, trusts, estates, pension plans, charitable organizations, and corporations. The minimum account size for opening an account is \$500,000.

Methods of Analysis, Investment Strategies and Risk of Loss

All investment alternatives are carefully reviewed and screened before advising them to clients. Specific investment alternatives are analyzed from a long-term strategic perspective and their contribution to the portfolio's return and risk. Careful scrutiny is made of transaction costs to minimize their impact on portfolio returns. Methods of analysis may include fundamental, technical and cyclical techniques. Numerous sources of information are used in researching investment alternatives including financial newspapers, research reports prepared by others, corporate rating services, annual reports and prospectuses, SEC filings, and company press releases. MONTVEST subscribes to and maintains computerized information sources for timely data and information.

Our investment strategy attempts to utilize passive investment vehicles whenever possible and to minimize total investment costs by utilizing cost efficient mutual funds. Investing has many potential risks that may entail a risk of loss by a client. These include, but are not limited to: market risk; business risk; interest rate risk; currency risk; and inflationary risk. We believe the

best way to reduce risk is by extensive diversification both across and within various asset classes. However, diversification does not eliminate risk. We pay close attention to both volatility and downside risk when constructing a client portfolio and before adding a new investment. Montvest may use alternative investments that are specifically designed to reduce portfolio risk. Examples of these strategies are managed futures funds and risk parity funds. These alternatives may expose the investor to additional risks including wide price fluctuations and additional loss as a result of their investment strategies.

Disciplinary Information

This item is not applicable since neither Montvest nor William F. Muhs has been subject to any legal or disciplinary event.

Other Financial Industry Activities and Affiliations

Montvest and William F. Muhs are not engaged in any other financial industry activity nor are they affiliated with any other financial related firm. In the event we recommend other investment advisors to clients we would not accept any direct or indirect compensation for doing so.

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

Montvest has adopted a Code of Ethics reasonably designed to protect against conflicts between the personal securities transactions (if any) of Montvest's and its affiliates' principals, officers and employees (and members of their families) and transactions effected on behalf of Montvest's clients. The Code of Ethics is based on the principle that Montvest and its employees owe a fiduciary duty to Montvest's clients. Thus, employees of Montvest must (i) place the interests of its clients first, (ii) avoid taking inappropriate advantage of their positions with Montvest and (iii) conduct their personal securities transactions (if any) in full compliance with the Code of Ethics. Personal investing by Montvest's principals, officers, and employees, if any, in securities in which Montvest's clients are or have investments, may only occur after such clients' purchases or sales have been effected. A copy of Montvest's Code of Ethics is available to any client or prospective client upon request.

Montvest employees may, as individual investors, buy or sell publicly trade securities which Montvest also recommends to clients. This creates a conflict of interest. Montvest addresses such conflicts by imposing, through Montvest's Code of Ethics and its related compliance policies and procedures, certain restrictions and reporting obligations with respect to personal securities transactions. For example, as described above, Montvest employees may not trade their own securities ahead of client trades, and Montvest employee's personal securities transactions are periodically reviewed to seek to ensure consistency with Montvest's Code of Ethics.

Montvest may give advice and take actions in the performance of its duties to its clients that differ from advice given, or the timing and nature of actions taken, with respect to other clients' accounts. Montvest has adopted policies and procedures that prohibit the use of material non-public information, and as a result, Montvest and its related persons, from time to time, may not be free to divulge or act upon certain material nonpublic information in their possession on behalf its clients.

Other policies adopted by Montvest with which all principals, officers and employees (and in some cases, members of their families), if any, must comply include, but are not limited to, pre-approval of personal securities transactions by Montvest's Compliance Officer or delegate, annual certification of compliance with the Code of Ethics, and directing brokers to supply Montvest with duplicate confirmations and periodic statements of personal securities transactions.

Brokerage Practices

Selecting Brokerage Firms

Montvest does not have any affiliation with product sales firms. Montvest, in selecting to obtain the best execution of portfolio transactions, may consider the quality and reliability of brokerage services. Factors considered by Montvest in selecting brokers and dealers may include the following: price; the broker's or dealer's facilities, reliability and financial responsibility; and the ability of the broker or dealer to effect securities transactions, particularly with regard to such aspects as complexity of the trade, timing, order size, and execution of orders. Commission rates, being a component of price, are one factor considered together with other factors. Accordingly, Montvest, in its discretion, may cause a client to pay a commission for effecting a transaction for the client in excess of the amount another broker or dealer would have charged for effecting that transaction. This may be done where Montvest has determined in good faith that the commission is reasonable and competitive. Montvest will recommend the use of a discount broker, but will not determine without specific client consent, the broker to be used.

Montvest participates in the institutional advisor program (the "Program") offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade, Inc., member FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. 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 the section Client Referrals and Other Compensation.)

Best Execution

It is our fiduciary responsibility as a registered investment advisor to seek out best execution for our clients. Best execution means the best possible combination of price, speed, liquidity and other terms when placing an order on a stock exchange for a client. Montvest reviews the

execution of trades of any custodian on a quarterly basis. Trading fees charged by the custodian are also reviewed on quarterly basis. Montvest does not receive any portion of the trading fees.

Soft Dollars

Generally, in addition to a broker's ability to provide "best execution," we may also consider the value of "research" or additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those services or products with "soft dollars." Because many of the services or products could be considered to provide a benefit to the firm, and because the "soft dollars" used to acquire them are client assets, the firm could be considered to have a conflict of interest in allocating client brokerage business. It could receive valuable benefits by selecting a particular broker or dealer to execute client transactions and the transaction compensation charged by that broker or dealer might not be the lowest compensation the firm might otherwise be able to negotiate. In addition, the firm could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage compensation with which to acquire products and services.

The firm's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. As required by Section 28(e), the firm will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation to be paid to TD Ameritrade is reasonable in relation to the value of all the brokerage and research products and services provided by TD Ameritrade. In making this determination, we typically consider not only the particular transaction(s), the value of brokerage and research services and products to a particular client, but also the value of those services and products in our performance of our overall responsibilities to all of our clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

Order Aggregation

Montvest does not guarantee any brokers the placement of a pre-determined amount of securities transactions in return for the research or brokerage products or services they provide. Montvest does, however, have an internal procedure for allocating transactions in a manner consistent with its execution policy to brokers that it has identified as providing brokerage or research product or services of a benefit to its clients. Brokerage and research products furnished by brokers may be used in servicing any or all clients of Montvest and such research may not necessarily be used by Montvest in connection with the accounts that paid commissions to the broker providing such brokerage and research products and services. A conflict of interest is created because Montvest may receive services or benefits that do not apply exclusively to the client on whose account

Montvest is seeking execution. To address this conflict, Montvest seeks to determine, in good faith, that the commission charges of a broker are reasonable in relation to the value of the research or other services provided by such broker.

Where appropriate, transactions for multiple clients may be bunched for execution purposes, which will not ordinarily affect commissions charged and execution prices on such transactions. Specifically, Montvest may bunch orders for multiple accounts according to a pre-determined allocation methodology whereby clients receive an average-weighted price and are assessed an average-weighted commission charge. Circumstances involving partial fills may arise whereby Montvest may determine that, while it would be both desirable and suitable that a particular security or other investment be purchased or sold for more than one client, there is a limited supply or demand for the security or other investment.

Montvest will seek to allocate the opportunity to purchase or sell that security or other investment among such clients on an equitable basis, taking into consideration such factors as size of the portfolio, concentration of holdings, investment objectives and guidelines, tax considerations, purchase cost, and cash availability. Montvest attempts to, but is not required to, assure equality of treatment among its clients receiving such allocation (including that the opportunity to purchase or sell that security or other investment will be proportionally allocated among those clients according to any particular predetermined standards or criteria).

Review of Accounts

Periodic Reviews

Montvest reviews all client accounts on a quarterly basis. The reviews are conducted by William F. Muhs. The primary purpose of the reviews is to rebalance portfolios. This process compares target asset class allocation percentages from their actual allocation in the overall portfolio. Typically, asset classes with above target allocations are sold down to their targets and the proceeds invested in asset classes that are below target levels. A tolerance band is maintained to prevent overly frequent adjustments. The result is a strict discipline that prevents overweighting in a given asset class. Other reviews may be conducted at any time due to events such as capital inflows or outflows; changes in client objectives or needs; mandatory distributions; or tax impacts. We also review on a daily basis each client transaction to insure accuracy, compliance, and validity.

Regular Reports

Montvest provides each client with quarterly reports that include a portfolio statement, asset allocation comparison, and portfolio performance. All performance reports are in compliance with Global Investment Performance Standards (GIPS). Clients are encouraged to compare the account statements we prepare with those from the custodian. We also provide additional year-end reports for clients that include realized gains and losses, income, and expense reports.

Client Referrals and Other Compensation

Referrals

Montvest does not compensate, directly or indirectly, any person or entity for a client referral.

Other Compensation

As disclosed under Item 12 above, Montvest ("Advisor") participates in TD Ameritrade's institutional customer program and Advisor may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between Advisor's participation in the program and the investment advice it gives to its Clients, although Advisor receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Advisor participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to Advisor by third party vendors. TD Ameritrade may also have paid for business consulting and professional services received by Advisor's related persons. Some of the products and services made available by TD Ameritrade through the program may benefit Advisor but may not benefit its Client accounts. These products or services may assist Advisor in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Advisor manage and further develop its business enterprise. The benefits received by Advisor or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.

Montvest also receives from TD AMERITRADE certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services includes payment to Schwab Performance Technologies for Montvest's annual TD AMERITRADE Interface Software Program maintenance cost. This interface is free to investment advisors who use Schwab Institutional as their custodian. TD AMERITRADE provides the Additional Services to Montvest in its sole discretion and at its own expense, and Montvest does not pay any fees to TD AMERITRADE for the Additional Services. Montvest and TD AMERITRADE have entered

into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services. Montvest's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Montvest, TD AMERITRADE most likely considers the amount and profitability to TD AMERITRADE of the assets in, and trades placed, for Montvest's client accounts maintained with TD AMERITRADE. TD AMERITRADE has the right to terminate the Additional Services Addendum with Montvest, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD AMERITRADE, Montvest may have an incentive to recommend to its clients that the assets under management by Montvest be held in custody with TD AMERITRADE and to place transactions for client accounts with TD AMERITRADE. Montvest's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including seeking best execution of trades for client accounts.

Custody

Montvest does not maintain custody of client assets nor do we have authority to withdraw funds or securities from client's accounts except the withdrawal of advisory fees. This authority must specifically be granted by the client in Montvest's Investment Advisory Agreement. Montvest therefore does have custody due to the direct withdrawal of its advisory fees. All securities are held in the client's name at a brokerage firm or other custodian of the client's choice.

Investment Discretion

Montvest may accept discretionary trading authority to manage securities accounts on behalf of clients but before we assume this authority we must obtain authorization from the client. This authorization is explicitly given in our Investment Advisory Agreement.

Voting Client Securities

Montvest does not vote proxies on behalf of its clients. Each client is responsible for voting the proxies that are received by Montvest in connection with such client's accounts. Clients receive proxies or other solicitations directly from their custodian. Montvest is not responsible for, and does not, evaluate client's eligibility to participate in the proceeds of a securities class action settlement or verdict or determine whether or not to submit a claim. Clients may consult us on these matters.

Financial Information

Montvest is not required to provide a balance sheet for our firm. There is also no financial condition that is likely to impair our ability to meet contractual commitments to clients.

Requirements for State-Registered Advisers

Executive Officer Information

William F. Muhs is the sole owner and President of Montvest LLC. He is also the Compliance Officer for Montvest. Montvest does not have an investment committee and William F. Muhs, President, is solely responsible for determining what investment advice is recommended to a client. William F. Muhs was born in 1942 and has a B.S. in International Business (1968) and a M.B.A. in Finance (1971), both from the University of Colorado-Boulder. He received his Ph.D. in Management and Finance from Texas Tech University in 1976. He has taught at several universities including Washington State University in Pullman, Washington prior to joining Montana State University in Bozeman, Montana in 1982. He taught finance and management courses at Montana State and was a tenured faculty member until 1994 when he left academe to start Montvest. He has published numerous scholarly papers and articles during his 23 year career in academe. He has also worked for large corporations, managed small businesses, and served as a consultant to business firms. Mr. Muhs also served in the U.S. Army and received the Army Commendation Medal for meritorious service. He has served on the National Board of Directors for Mothers Against Drunk Driving (MADD) and was the recipient of MADD's Golden Achievement Award in 2003. Mr. Muhs has successfully passed the Uniform Investment Advisors Law Examination, Series 65.

Other Business Activities

Montvest does not engage in any other activity other than giving investment advice.

Performance Based Fees

Montvest does not accept performance-based fee arrangements.

Relationship with any Issuer of Securities

Neither Montvest nor William F. Muhs has any relationship with any issuer of securities.