

Item 1 – Cover Page

ADV Part 2A

Schroeder Capital Management, LLC

3620 Happy Valley Road, Suite 203

Lafayette, California 94549

925.283.7913 (Direct)

925.283.7916 Fax)

www.schroeder-capital.com

May 31, 2012

This brochure provides information about the qualification and business practices of Schroeder Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 925.283.7913. The information in this brochure has been reviewed by state securities authorities where Schroeder Capital operates and may be required to file but has not necessarily been verified. Additional information about Schroeder Capital is also available on the SEC's website at www.adviserinfo.sec.gov.

The RIA registration does not in itself imply a certain level of skill or training. Usually, Investment Adviser Representatives ("IARs") of any Investment Adviser must register in each state in which they solicit or in which they do business. Generally, states require the NASD Series 65, Uniform Investment Adviser exam. This requirement may be waived in lieu of certain professional designations, such as Certified Financial Analyst (CFA), Certified Financial Planner (CFP), or Certified Investment Counselor (CIC).

Item 2 - Material Changes

References to the Securities Exchange Commission (SEC), relating to Schroeder Capital Management LLC, as a RIA registrant, have been removed from the brochure cover page and all other pages that are included in this filing since Schroeder Capital is applying for state registration.

Assets under management have been updated as of March 31, 2012.

Brochure Supplement information, as required in ADV Part 2B, is included as follows:

- Item 1 Cover Page
- Item 2 Educational Background and Business Experience
- Item 3 Disciplinary Information
- Item 4 Other Business Activities
- Item 5 Additional Compensation
- Item 6 Supervision
- Item 7 Requirements for State-Registered Advisers:

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Item 4 - Advisory Business

Firm Description

Schroeder Capital Management, LLC, a Lafayette, California-based investment advisor, provides investment counsel to private individuals and institutions throughout the United States. The company was purchased in May 2002 as the successor entity to Van Kasper Advisers, a San Francisco-based investment advisory firm and affiliate of Wells Fargo Securities, LLC.

The firm's sole owner, G. Frederick Schroeder, CFA, has investment experience that spans over 30 years, during which time he conducted fundamental research, formulated investment strategy, built and managed individual client and institutional portfolios. Schroeder was formerly associated with the ITT Corporation, Transamerica, Templeton Portfolio Advisory, an affiliate of Franklin Templeton Worldwide, and Van Kasper Advisers before forming Schroeder Capital Management, LLC.

The foundation of Schroeder Capital Management, LLC, is its unique broad-based knowledge and understanding of global markets. As Senior Portfolio Manager of Templeton Portfolio Advisory, Schroeder directed all the investment activities of the company's \$2 billion Private Client Group. Today, Schroeder Capital's clients benefit from the significant experience Schroeder had with the Templeton Worldwide organization, its investment research group, portfolio managers, and especially his relationship with the late Sir John Templeton, of Nassau, Bahamas, known as the "father of international investing." These elements have provided Schroeder Capital Management, LLC, with a unique perspective and solid platform of knowledge of international economics, securities analysis, broad understanding of global

investment strategy, and proven portfolio building disciplines used to create globally diversified, custom-tailored private accounts that meet specific client needs and investment objectives.

Principal Owners

G. Frederick Schroeder, President, and Chief Investment Officer, is sole owner of Schroeder Capital Management, LLC. He is a Chartered Financial Analyst (CFA). Charter number is 4105.

Types of Advisory Services

Schroeder Capital is specifically focused and engaged in building customized, taxable and tax exempt individual accounts for its clients, utilizing both equity and fixed income securities. The firm has discretion over client assets in the creation of portfolios based on a defined investment strategy at the time of account inception. In addition to publically traded domestic securities, Schroeder uses American Depositary Receipts (ADRs) for international investments in the portfolio building process. Schroeder offers four primary investment strategies; US Core Equity, US Balanced, (including fixed income), Global (including US), and International only.

Tailored Relationships

Portfolios are tailored to the specific needs, investment objectives, and risk tolerance of Schroeder Capital's clients. Customized separate accounts typically contain approximately 35-40, well-diversified securities. Client-specific risk tolerance considerations will often determine the number and type of securities held in a portfolio, specific country exposure, and the market capitalization or liquidity of the selections.

Wrap Fee Programs

Schroeder Capital does not engage in wrap fee programs with any entity.

Client Assets

Total assets under management at March 31, 2012 were \$44.3 million and were computed by totaling the closing market value of all securities in all individually managed client portfolios.

Item 5 - Fees and Compensation

Description

Schroeder Capital is a fee-based investment manager. Compensation provided to Schroeder is negotiable and varies, but typically Schroeder charges its clients an annual fee. The percentage of the annual fee varies depending upon the nature and size of the account. Management fees generally are as follows:

<u>Account Assets Under Management</u>	<u>Annual Fee</u>
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Equity & Balanced

Amount up to \$2,000,000	1.25%
Amount over \$2,000,000 to \$5,000,000	1.00%
Amount over \$5,000,000	Negotiable

Global & International Equity

Amount up to \$2,000,000	1.50%
Amount over \$ 2,000,000 to \$ 5,000,000	1.25%
Amount over \$5,000,000	Negotiable

Fixed Income

Amount up to \$2,000,000	0.75%
Amount over \$2,000,000 to \$5,000,000	0.50%
Amount over \$5,000,000	Negotiable

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Fee Billing

Schroeder offers clients both direct billing of quarterly account management fees or authorizing Schroeder Capital to deduct management fees incurred.

Other Fees

Clients will incur transaction costs associated with each security trade that is either deducted from the asset value of the trade by the brokerage firm or can be satisfied through a pre-negotiated, monthly flat rate deduction from the client account based on the average monthly value of the managed portfolio.

Fees Paid in Advance

Schroeder Capital bills its clients in arrears for account management services. Fees are based on the average monthly value of the managed portfolio for the preceding three month period. A client may terminate an individually managed account by giving 30 days' written notice. In all cases, expenses and the pro rata portion of the annual fee through the date of termination are charged to the client.

Additional Compensation

Schroeder Capital receives no compensation other than fee income from managed accounts.

Item 6 - Performance-Based Fees & Side-by-Side Management

Sharing of Capital Gains or Capital Appreciation

Schroeder Capital does not offer performance-based fee services on managed accounts. We are a fee-based manager and charge clients on the basis of assets under management.

Item 7 - Types of Clients

Description

Schroeder Capital offers investment advisory services for individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations.

Account Minimums

Schroeder Capital generally requires a minimum of \$250,000 to open an individually managed account, but reserves the right to waive this minimum.

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

Methods of Analysis

Schroeder Capital's investment philosophy and methodology is fundamentally-based and uses both growth and value securities in customized portfolios. Fundamental, bottom-up analysis targets companies that have the potential to achieve superior investment returns. Selections are made from a broad universe of U.S. stocks and international ADRs. A comprehensive analysis of relative global interest rates, economic growth prospects, and geopolitical developments are important ingredients in providing a basis for fundamental research. We evaluate product/service uniqueness, relative industry standing, demand factors, inherent cyclicity, pricing power, and potential influences that could dramatically change operating and financial conditions within a company.

Critical financial analysis focuses on operating cash flow, balance sheet quality, peer-relative profitability measures, and the ability of an enterprise to self-finance its growth through capital reinvestment. We are particularly attracted to companies that have little or no debt and a high rate of capital reinvestment. In addition, management's philosophy toward improving shareholder value over the long-term and consistently maintaining effective communication with shareholders and the investment community are important components of our analysis.

Employing disciplines of relative global attractiveness in valuing individual companies is essential to identify the best investment candidates whether in the U.S. or abroad. Security price disciplines include the application of absolute and relative historical ratios in the evaluation of corporate earnings prospects, analyzing earnings before interest, taxes, depreciation and amortization (EBITDA), adjusted book value (eliminating intangible assets and potential balance sheet overstatements), operating cash flow, and dividend yield.

Investment Strategies

Schroeder Capital provides several investment strategies to address the needs and financial goals of its clients. Customized portfolios can be created using the following investment strategies:

Global Equity: Security selection emphasizes a balance of mid-to-large capitalization American Depository Receipts (ADRs) and multi-cap U.S. equities. The account objective is to capture long-term growth with a well-diversified mix of both international and US investment opportunities.

International Diversified Equity: Security selection focuses on well-diversified, mid-to-large capitalization American Depository Receipts (ADRs). Emerging market investments are emphasized to capture more rapidly growing global opportunities. The account objective is long-term capital appreciation with a strict discipline of diversification by both country and industry to minimize portfolio risk.

U.S. Core Equity: Security selection focuses on a range of small-to-large capitalization companies, multi-cap, with an emphasis on balancing growth stocks with those representing value-oriented investment opportunities. A key ingredient of this strategy is to achieve long-term account growth and employ strategic diversification to avoid undue market risk.

Balanced Growth: Security selection emphasizes more conservative growth and value stocks balanced with fixed income securities including U.S. Treasuries and agencies, corporate bonds, and preferred stocks. While the account objective is to grow principal and generate income, strict disciplines to avoid portfolio and market risk are employed.

Risk of Loss

Each investment strategy above carries a degree of risk to invested capital. Fixed income securities carry risk since valuation is tied to the financial health of the underlying entity that issues the securities and potential changes in interest rates within the economy. Stocks carry risk related to future growth and profitability of the company in which an investment is made.

At Schroeder Capital, risk avoidance measures and the suitability of investments for clients are key ingredients in the security selection and portfolio building process. We employ portfolio management disciplines that are focused on risk aversion. Broad diversification of holdings and the use of qualitative measures such as analyzing balance sheet strength and profitability are critical factors in reducing risk. Regularly scheduled account reviews target changes in the investment fundamentals of each portfolio position.

Item 9 - Disciplinary Information

Legal and Disciplinary

There has never been any legal or disciplinary action or illegal event associated with anyone employed at Schroeder Capital prior to or during their employment with the firm.

Criminal or Civil

There has never been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which personnel associated with Schroeder Capital were found to have been involved in a violation of an investment-related statute or regulation, named in a criminal proceeding, or involved in a fraudulent investment related business activity.

Administrative Proceeding

There has never been an administrative proceeding before any federal regulatory agency, any state regulatory agency, or any foreign regulatory authority against Schroeder Capital or an employee of the firm.

Self-Regulatory Proceeding

There has never been a self-regulatory-proceeding (SRO) in which Schroeder Capital or anyone associated with the firm was found to have been involved in any violation of the SRO's rules.

Item 10 - Other Financial Industry Activities and Affiliations

Broker-dealer or Registered Representative

Schroeder Capital is not a registered broker-dealer and no one associated with the firm has a pending application to register as a broker-dealer or a registered representative of a broker-dealer.

Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person

Schroeder Capital is not a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities.

Material Relationships or Arrangements with Financial Industry

Schroeder Capital is an independent investment advisory firm, solely owned, and does not have relationships or arrangements with others in the financial industry that are material to its business or to its client's interests.

Recommend or Select Other Investment Advisers

Schroeder Capital does not and has never recommended any other investment adviser to any of its clients for management of their account(s) in whole or part. We do not receive any compensation from any firms for any investment services. All fees received by our firm come directly from Schroeder Capital clients.

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

Code of Ethics

Schroeder Capital Management, LLC has adopted the CFA Institute's "Code of Ethics" as an operating policy as follows:

Act with integrity, competence, dignity, respect and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.

Place the integrity of the investment profession and the interests of clients above their own personal interests.

Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities.

Practice and encourage others to practice in a professional and ethical manner that will reflect credit on themselves and the profession.

Promote the integrity of, and uphold the rules of governing, capital markets.

Maintain and improve their professional competence and strive to maintain and improve the competence of other investment professionals.

Schroeder Capital will provide a copy of its Code of Ethics to any client or prospective client upon request.

Recommend Securities with Material Financial Interest

Schroeder Capital does not recommend to clients, nor buys or sells for client accounts, securities in which the firm has a material financial interest.

Invest in Same Securities Recommended to Clients

Schroeder and its managers, members and employees may personally invest in securities of the same classes as are purchased for clients and may own securities of issuers whose securities are also purchased for clients.

Schroeder is not obligated to acquire for any account any security that Schroeder or its managers, members or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of Schroeder, it is not practical or desirable to acquire a position in such security for that account.

Personal Trading Policies

No personal trades will be executed by Schroeder or its managers, members or employees in the same security on the same business day or within forty-eight hours before or after any trade for any Schroeder Capital client.

Schroeder and its managers, members and employees, may buy or sell specific securities for their own accounts based on personal investment considerations aside from company or industry fundamentals which Schroeder Capital does not deem suitable to buy or sell for clients.

Item 12 - Brokerage Practices

Selecting Brokerage Firms

Charles Schwab is the custodian for over 99% of Schroeder Capital's client assets. This is the result of a long standing relationship based on Charles Schwab's excellence of service, security trading expertise, accounting systems and competitive transaction pricing. Morgan Stanley Smith Barney is the custodian for the remaining, less than 1% of client assets. The latter relationship is the result of two historic accounts that had been originally placed with Morgan Stanley Smith Barney and were included in the overall universe of accounts acquired by Schroeder Capital at its inception. Schroeder Capital has no plans to place additional client assets with Morgan Stanley Smith Barney. (See "Directed Brokerage" below).

Research and Soft Dollars

Schroeder Capital does not pay soft dollars to anyone for any purpose including research.

Brokerage for Client Referrals

Schroeder Capital does not direct business to any broker-dealer as the result of any client referrals.

Directed Brokerage

Schroeder Capital has full discretion on all trading activity for client accounts. The firm does not direct any brokerage to anyone at the direction of any client. All trades are executed through our primary custodians.

Order Aggregation

Schroeder Capital may aggregate securities purchase and sale orders for a client with similar orders being made contemporaneously for other accounts managed by Schroeder. In such event, the average price of all securities purchased or sold in such transactions is determined and a client's account is charged or credited the average transaction price.

Item 13 - Review of Accounts

Periodic Reviews

All accounts are reviewed weekly by G. Frederick Schroeder, the Chief Investment Officer, while the total universe of securities is reviewed daily. Particular attention is given to changes in global market conditions, relative prospects for various industries, company earnings, price levels and performance of individual securities, and consideration for alternative investment opportunities. Asset allocation and individual account objectives are also critical factors in all account reviews.

Regular Reports

A periodic client letter reviews the current investment environment, outlook, portfolio strategy, and research focus being employed. In addition, quarterly reports are sent to all clients that include a customized account appraisal, diversification, trading activity, and performance.

Item 14 - Client Referrals and Other Compensation

Economic Benefits

Schroeder Capital purchases for cash an investment research service that provides relative security price analysis and performance.

Third Party Solicitors

Schroeder Capital does not employ anyone for the purpose of soliciting business nor does it have any third party relationships with anyone engaged in soliciting business for the firm.

Item 15 - Custody

Account Statements

Schroeder Capital does not have custody of any client funds. All client assets are in the complete control of our custodians Charles Schwab and Morgan Stanley Smith Barney. Furthermore, all client deposits are sent directly to the custodian by the client. Any account withdrawals are originated by the client and executed at the custodian level.

Schroeder Capital sends a detailed invoice to its client's explaining how the management fee is calculated. Verifying the accuracy of the calculation is not the responsibility of the custodian who does not perform that task. Ultimately, verifying the accuracy of the fee calculation is the responsibility of the client.

Item 16 - Investment Discretion

Discretionary Authority for Trading

Schroeder has complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent. Schroeder's time devoted to managing any account and the allocation of investment opportunities among all accounts is conducted in a manner that is deemed fair and equitable to all of its clients over a period of time

Limited Power of Attorney

Schroeder Capital holds a limited power of attorney for each account to act on behalf of the client with full discretion to manage the client assets. Client funds are deposited in a brokerage firm account.

Item 17 - Voting Client Securities

Proxy Voting

Schroeder Capital does not vote proxies for securities held in client accounts. Proxies are generally associated with routine business matters conducted at annual meetings such as the election of corporate officers, approval of executive compensation and employee stock purchase plans, and ratification of Certified Public Accountants. However, Schroeder Capital does vote all corporate actions requiring shareholder approval such as mergers, acquisitions, or associated security offerings, buybacks, etc. and maintains records of voting these actions.

Item 18 - Financial Information

Prepayment of Fees

Schroeder Capital bills its clients in arrears for account management services based on the average ending monthly value of the managed portfolio for the preceding three month period.

Financial Condition

Schroeder Capital has been profitable since inception and is debt free.

Bankruptcy

Since inception, Schroeder Capital has never been the subject of any bankruptcy petition.

Item 19 – Requirements for State-Registered Advisers

See ADV Part 2B Brochure Supplement

Item 1 - Cover Page

ADV Part 2B –Brochure Supplement

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May 31, 2012

The brochure supplement provides information about G. Frederick Schroeder, President and Chief Investment Officer of Schroeder Capital Management, LLC that supplements the Schroeder Capital Management, LLC brochure. You should have received a copy of that brochure. Contact Schroeder Capital if you have not received Schroeder Capital's brochure or if you have any questions about the contents of this supplement.

Additional information about G. Frederick Schroeder is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Educational Background and Business Experience

The firm's owner, G. Frederick Schroeder (68), has investment experience that commenced in 1969 during which time he conducted fundamental research, formulated investment strategy, built and managed individual client and institutional portfolios. Mr. Schroeder was formerly associated with the ITT Corporation, Transamerica, Templeton Portfolio Advisory, an affiliate of Franklin Templeton Worldwide, and Van Kasper Advisers before forming Schroeder Capital Management, LLC. Schroeder graduated from San Jose State University with a B.S. in Business Administration and is a Chartered Financial Analyst (CFA). Requirements for the CFA designation and to become a charterholder are as follows:

- 1) Complete the CFA Program; mastery of the current CFA curriculum and passing three six-hour examinations.
- 2) Possess a bachelor's degree (or equivalent) from an accredited institution.
- 3) Have four years of qualified work experience, or a combination of education and work experience acceptable by the CFA Institute.
- 4) Become a member of the CFA Institute and apply for membership to a local CFA member society
- 5) Adhere to the *CFA Institute Code of Ethics and Standards of Professional Conduct*.

Independent of any other requirements for becoming a charterholder, the CFA Program takes an average of four years to complete. For additional Information, see Part 2A - Item 4.

Item 3 - Disciplinary Information:

There has never been a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which Mr. Schroeder or any personnel associated with Schroeder Capital were found to have been involved in a violation of an investment-related statute or regulation, named in a criminal proceeding, or involved in a fraudulent investment related business activity.

Item 4 - Other Business Activities:

Mr. Schroeder is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Schroeder Capital.

Item 5 - Additional Compensation:

Mr. Schroeder receives no compensation from any other person or entity.

Item 6 - Supervision:

Mr. Schroeder is the Chief Compliance Officer of Schroeder Capital Management, LLC. There are no “supervised persons” associated with the company who offer investment advice, manage money or establish firm policy.

Item 7 – Requirements for State-Registered Advisers:

Mr. Schroeder has never been involved in any arbitration hearing or been found liable in any claims alleging damages of any amount involving the following:

- a) An investment or an *investment-related* business or activity;
- b) Fraud, false statement(s), or omissions;
- c) Theft, embezzlement, or other wrongful taking of property;
- d) Bribery, forgery, counterfeiting, or extortion; or
- e) Dishonest, unfair, or unethical practices.

Mr. Schroeder has never been found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a) An investment or an *investment-related* business or activity;
- b) Fraud, false statement(s), or omissions;
- c) Theft, embezzlement, or other wrongful taking of property;
- d) Bribery, forgery, counterfeiting, or extortion; or
- e) Dishonest, unfair, or unethical practices.

Mr. Schroeder has never been the subject of a bankruptcy petition.

Additional Disclosures

Privacy Policy

Schroeder Capital Management, LLC is committed to protecting the confidentiality of the information furnished to us by our clients and is providing you with this notice of our policies concerning your privacy rights.

We consider all nonpublic personal information that we may collect about you from various sources (including, but not limited to, agreements, forms, applications, and/or transactions you may have with us) to be private and confidential, and we hold ourselves to the highest standards in its safekeeping and use. We will not release information about current or former clients to any third party unless one of the following conditions is met: (i) we receive your prior written consent; (ii) we believe the recipient of the information to be your authorized representative; or (iii) we are required by law to release the information to the recipient. We have not and will not in the future give or sell information about current or former clients to any third party and will only use client information as necessary to service or maintain the accounts in the ordinary course of business.

We maintain physical, electronic, and procedural safeguards to protect your nonpublic personal information. Schroeder Capital will provide a copy of its Privacy Policy to any client or
Requirements