

Item I Cover Page

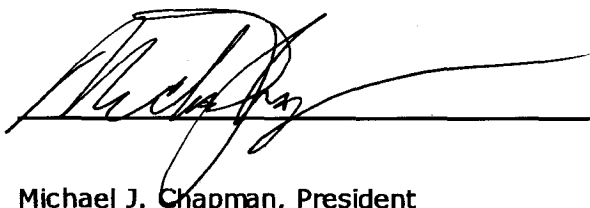
This brochure provides information about the qualifications and business practices of Provident Capital Management, Inc. If you have any questions about the contents of this brochure please contact us at 317-705-1999. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Provident Capital Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

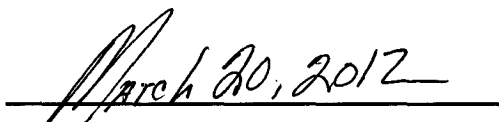
Provident Capital Management, Inc. (PCM) is a fee only Registered Investment Advisor under the Investment Advisers Act of 1940. (Registration does not imply a certain level of skill or training). Its office is located at 11595 N. Meridian, Carmel, Indiana. PCM is an independent investment management firm that is not affiliated with any parent organization. PCM manages client portfolios in separate accounts which are held at various discount brokerage firms. PCM also manages portfolios within certain variable annuities. PCM uses individual equities and bonds, no-load mutual funds, and ETF's (Exchange Traded Funds) in non-correlated tactical, absolute return and benchmark strategies. To obtain greater diversification in our portfolios, we may also use some "alternative assets" such as privately traded REITs. Where appropriate, PCM also employs option strategies, both short and long, and leveraged ETFs, both short and long.

We advocate an approach that takes into consideration the shortcomings of Modern Portfolio Theory. We attempt to diversify our clients' portfolio into non-correlated strategies. We attempt to employ risk management at the strategy level to guard against the reality of unexpected adverse price movement. This approach tends to smooth out portfolio performance resulting in smaller equity draw-downs. While there are no guarantees in investing, we believe the key to superior long-term performance is consistent positive returns.

Provident Capital Management is committed to providing the investment community with high-quality absolute return and tactical solutions that are non-correlated, liquid and transparent. We offer a non-traditional approach built upon fundamentally solid investment principles (diversification and risk management) and believe this approach can be an attractive alternative to hedge funds, mutual funds, and traditional buy and hold strategies. The success or failure of tactical and absolute return strategies depend upon many factors including but not limited to the manager's ability to avoid large market losses. There can be no guarantee that PCM will be able to avoid such losses or that PCM will be able to identify periods of weak performance in the stock market.



Michael J. Chapman, President



Date

Item 2 Material Changes

The following are material changes that Provident Capital Management, Inc. (PCM) has made since our last ADV/Brochure update on March 31, 2011:

PCM has created, back tested and now manages 13 Absolute Return Indexes. We now offer separate managed accounts which attempt to match the performance of these indexes.

GIPS OPINION

Global Investment Performance Standards (GIPS) are a series of standards that can be applied to money managers. The standards are not officially adopted by the Securities and Exchange Commission or any state regulator. However, GIPS is often used to provide a means of comparison of money managers advertised performance. On February 20, 2012, PCM received an opinion from Alpha Performance Verification Services ("Alpha") that for the five year period ending December 31, 2011 PCM's construction of its composites met the GIPS standards and that as of December 31, 2011, PCM's policies and procedures used to calculate and present performance were in compliance with GIPS. Alpha also conducted an examination of certain of PCM's advertised performance and concluded that for the period covered by the examination, the presentation were in compliance with GIPS standards. For more about GIPS go to www.gipstandards.org.

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Item 4 Advisory Business

SERVICES

Provident Capital Management, Inc. is a fee-only investment advisory and investment management firm. The firm was started January 2000 by founder and owner Michael J. Chapman, CFP®.

Services Offered:

- Money Management Services
- Sub-Advisory Services

MONEY MANAGEMENT SERVICES

Provident Capital Management, Inc., (PCM) invests clients' accounts with the goal of capital appreciation in up markets and preservation of capital in down markets. We advocate an approach that takes into consideration the shortcomings of Modern Portfolio Theory. To address the inconsistency of asset class correlation we diversify our clients' portfolio into non-correlated strategies. We attempt to employ risk management at the strategy level to guard against the reality of unexpected adverse price movement. This approach tends to smooth out portfolio performance resulting in smaller equity draw-downs. While there are no guarantees in investing, we believe the key to superior long-term performance is consistent positive returns.

Provident Capital Management is committed to providing the investment community with high-quality absolute return and tactical solutions that are non-correlated, liquid and transparent. We offer a non-traditional approach built upon fundamentally solid investment principles (diversification and risk management) and believe this approach can be an attractive alternative to hedge funds, mutual funds, and traditional buy and hold strategies. The success or failure of tactical and absolute return strategies depend upon many factors including but not limited to the managers ability to avoid large market losses. There can be no guarantee that PCM will be able to avoid such losses or that PCM will be able to identify periods of weak performance in the stock market. PCM offers the following investment choices to clients in managing discretionary separate accounts.

- U.S. Equity Growth (All Cap) –Subadvised by NorthCoast Asset Management
- PCM Protected Equity Income
- U.S. Fixed Income – PCM Laddered Bond Portfolio
- Dynamic International ETF Portfolio – Tactical ETF Strategy, International Only
- PCM Absolute Return Strategy
- Dynamic Overlay – Tactical ETF Strategy

In addition to the above choices we also offer separate accounts managed with the investment objective of matching the performance of the following PCM Indexes.

- Absolute Global Macro Index SM
- Absolute Global Tactical Index SM
- Absolute U.S. Sector Index SM
- Absolute International Index SM
- Absolute Equity Income Index SM
- Absolute Bond Index SM
- Absolute Currency Index SM
- Absolute Commodity Index SM
- Absolute Metals Index SM

- Conservative Absolute Index Portfolio SM
- Income Absolute Index Portfolio SM
- Stable Growth Absolute Index Portfolio SM
- Stable Growth Plus + Absolute Index Portfolio SM

Client portfolios are tailored to each client's investment objective by the percent or mix of the various strategies used.

Restriction on certain securities or type of securities by client is allowed.

As of December 31, 2011, Provident Capital Management had \$68,962,471 under management. Of that, \$66,658,944 was invested in discretionary portfolios, and \$2,303,527 was non-discretionary.

SUB-ADVISORY SERVICES

Provident Capital Management will act as Sub-Advisor in our strategies for other Registered Investment Advisors and Broker Dealers.

Education and Business Background:

MICHAEL J. CHAPMAN, CFP®

Year of Birth: 1957

Education:

Certified Financial Planner (CFP®)
College of Financial Planning
Denver, Colorado

Purdue University
B.S. Economics
West Lafayette, Indiana

Business Background:

Provident Capital Management, Inc.
President
Carmel, Indiana

1/00 to Current

Cambridge Investment Research
Investment Adviser and broker
Fairfield, Iowa

1/00 to 4/03

NatCity Investments
Certified Financial Planner
Investment Adviser
Director Wealth Management Group
Indianapolis, Indiana

1/99 - 1/00

NatCity Investments
Certified Financial Planner
Investment Adviser
Office Manager
Indianapolis, Indiana

1/97 - 1/99

A.G. Edwards & Sons
Certified Financial Planner
Investment Advisor
Indianapolis, Indiana

1/89 – 1/97

Constance R. Walden

Year of Birth: 1962

Education:

Indiana State University
B.S. Business Management
Terre Haute, Indiana

Business Background:

Provident Capital Management, Inc.
Carmel, Indiana
Money Management Firm
Vice President Operations

08/11 to Current

Account-Me-IN!, LLC
Indianapolis, IN
Accounting/Book Keeping Firm
Owner

10/08 to 08/11

Charles Schwab
Indianapolis, IN
Investment Advisory Firm
Financial Consultant,

10/05 to 10/08

Parker/Hunter Asset Management
Pittsburgh, PA
Money Management Firm
Fixed Income Portfolio Manager

12/03 to 10/05

Charles Schwab
Indianapolis, IN
Investment Advisory Firm
Sn. Fixed Income Specialist

09/91 to 12/03

ROBERT RAFAEL

Year of Birth: 1945

Education:

Meramec Community College
6/66 - 6/68
Forest Park Community College
6/68 - 6/69

Business Background:

MRM Asset Allocation Group, Inc.

12400 Olive Boulevard Suite 450
St. Louis, Missouri 63141

Investment Advisory Firm
President/Treasurer/Director

8/88 - present

Robert Rafael started his career in the investment business in 1970, first as a stock and commodities broker and then in 1988 he became a founding principal of MRM Asset Allocation Group, Inc., a registered investment advisor firm.

RICHARD TODD WOOD

Year of Birth: 1971

Education:

Ball State University
B.S. Political Science
Muncie, Indiana

University of Notre Dame
Masters in Business Administration
Notre Dame, Indiana

Business Background:

Provident Capital Management, Inc.
Chief Operating Officer
Carmel, Indiana

2010-Current

Global Asset Advisors
VP Institutional Services
Chicago, Illinois

2009-2010

Biopure Corporation
Chief Financial Officer
Boston, Massachusetts

2007-2009

Merrill Lynch
Financial Consultant
Indianapolis, Indiana

2004-2007

Morgan Stanley
Financial Advisor
Indianapolis, Indiana

2003-2004

TerriGraphix, Inc.
Founder, CEO
Carmel, Indiana

2000-2003

Melisa Ann Wieder, CFP®

Year of Birth: 1988

Education:

Ball State University
Cum Laude, Bachelors in Finance
Muncie, Indiana

Business Background:

Provident Capital Management
Market Representative
Carmel, IN

10/11 - Present

Self Employed
Investor Education Company
Noblesville, IN

02/2009 - 10/11

TIAA-CREF Individual & Institutional Services, LLC
Wealth Management Adviser
Carmel, IN

10/2007 - 02/2009

Merrill Lynch, Pierce, Fenner & Smith Inc.
Financial Advisor
Indianapolis, IN

09/2004 - 08/2007

Charles Schwab & Co., Inc.
Director of Options and Futures Trading
San Francisco, CA

10/1990 - 08/2004

THOMAS H. REDMOND JR.

Year of Birth: 1951

Education:

Butler University
BA Education
Indianapolis, IN

Business Background:

Provident Capital Management, Inc.
Director of Institutional Services
Carmel, Indiana

2010-Current

Velocity Capital
Risk Management Sales
Indianapolis, IN

2009-2010

NEXT Financial
Registered Representative
Indianapolis, IN

2007-2009

Faith Financial Planners
Registered Representative
Carmel, IN

2001-2007

Capital Financial Services

2005-2007

Registered Representative Minot, ND	
Empire Financial Group Registered Representative Longwood, FL	2003-2005
Empire Investment Advisors Investment Advisor Representative Longwood, FL	2004-2005
Freedom Financial Inc. Registered Representative Omaha, NE	2002-2003
SII Investments/Capitol Financial Center Registered Representative Indianapolis, IN	2001
Highmark Sales Manager Indianapolis, IN	1999-2001
Tower Equities Registered Representative Dayton, OH	2000
Redmond International Owner Carmel, IN	1990-2000

Item 5 Fees and Compensation

FEES

Money management fees are billed quarterly generally in advance, based upon the market value of the account at the end of the current quarter. (In some cases, a client is also billed for the balance of the quarter in which his account was opened in addition to the following full quarter, and in some cases, billing is in arrears.) Fees are deducted from client accounts. Fees range from .30% for fixed income to 1.50% for Investment Strategies per year. Fees are negotiable within these ranges. Applicant offers a performance fee arrangement for qualified accredited investors. The performance bonus fee is only available to clients that qualify under rule 205-3 of the Investment Advisors Act of 1940.

In certain situations, PCM may consider receiving fees based on criteria other than a percentage of assets under management, such as a fee based on the performance of the account. Performance based fees may create an incentive for PCM to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. Additionally, PCM's compensation may be larger than it would otherwise have been because the fee will be based on account performance instead of percentage of assets under management. Any performance bonus fee arrangement will comply with the requirements of rule 205-3 under the Investment Advisors Act of 1940.

Holdings in PCM's Dynamic International ETF Portfolio, Dynamic Overlay, the U.S. Equity Growth accounts and PCM Absolute Return Strategies will include investment companies that pay a separate management fee to third party advisors. PCM will not receive any commissions or fees from these investment companies. However, the fees paid to the investment companies or third parties may be in addition to the fees paid by the client to PCM. As an example, the PCM's Absolute strategies might hold the S&P 500 ETF (Exchange Traded Fund). The internal management fee for this ETF is 9/100's of 1%, or 9 basis points.

TERMINATION

Either party, upon 30 days written notification in accordance with the applicable contractual notice of termination, may terminate PCM's services. Upon termination the fees described above will be pro-rated. Upon termination of the contract, security positions in client portfolios will generally, at the client's request, be liquidated; however, if in some instances, where for example liquidation is impossible or impractical, client portfolio securities may be delivered in kind to the client upon termination at the discretion of PCM.

Item 6 Performance-Based Fees and Side-By-Side Management

In certain situations, PCM may consider receiving fees based on criteria other than a percentage of assets under management, such as a fee based on the performance of the account. Performance based fees may create an incentive for PCM to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. Additionally, PCM's compensation may be larger than it would otherwise have been because the fee will be based on account performance instead of percentage of assets under management. Any performance bonus fee arrangement will comply with the requirements of rule 205-3 under the Investment Advisors Act of 1940.

Provident Capital Management, Inc. offers a fee arrangement that includes a 1/2% performance bonus payable 30 days from end of the performance period if the account achieves a particular rate of return compared to the previous year. The rate of return over the previous year and the performance bonus are determined in advance. The percentage is calculated based upon the value of the account at the end of the applicable year. This performance bonus fee is available to clients that qualify under rule 205-3 of the Investment Advisors Act of 1940.

Provident Capital Management, Inc. also offers a fee arrangement that allows us to share in a percent of profit above a certain agreed upon return. When earned, this bonus is payable 30 days from end of the performance period. The bonus is calculated based upon the value of the account at the end of the applicable year. This performance bonus fee is available to clients that qualify under rule 205-3 of the Investment Advisors Act of 1940.

Item 7: Types of Clients

Provident Capital Management's retail client base has primarily been the high net-worth (\$1 - \$ 20 million) retired individuals and their family members.

In 2010, we began serving as the money manager (sub-advisor) for various Registered Investment

Advisors and investment advisors with certain broker dealers.

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

Provident Capital Management seeks to invest client portfolios in various strategies that are not closely correlated. Quarterly correlation screens are run and rolling one, three and five year correlation is reviewed to employ strategies with a low correlation (less than .75) to each other.

PCM also attempts to employ risk management parameters on a strategic basis to reduce exposure to long term bear markets. When appropriate, PCM will use options including Puts to attempt to limit downside exposure. PCM also uses stop loss orders and limit orders on the downside to attempt to manage downside risk. In certain strategies, PCM reallocates frequently to attempt to avoid long term losses.

There can be no assurance that any or all these various measures will be successful in protecting capital. Investing in securities involves risk of loss that investors must be willing to bear.

Our strategies may involve frequent transaction which could increase transaction cost and, in taxable accounts, make gains subject to short term instead of long term tax treatment.

See discussion of each strategy below for further detail.

U.S. EQUITY GROWTH (All Cap)

PCM provides investment supervisory services on a discretionary basis. The U.S. Equity Growth accounts are managed with the investment objective of growth of capital. In seeking this objective PCM invests primarily in securities of large, mid-capitalized and small-capitalized companies that it believes to be rapidly growing and offer the potential for capital appreciation. Current income from interest and dividends will be minimal. Up to fifty percent of this account may be invested in small-capitalized companies that PCM believes to be the leading companies of tomorrow.

CONCENTRATION

PCM will hold 6 to 30 stocks in this account. It is expected that each stock will represent 3% to 10% of the account but at times may be as high as 20%. Industry concentration is expected to be 10% to 20%.

STOCK SELECTION PROCESS

PCM's U.S. Equity Growth accounts designate NorthCoast Asset Management as an investment advisor under the terms of the Investment Sub Advisory Agreement. Subject to supervision and direction by PCM, NorthCoast will manage client accounts in accordance with its investment management philosophy and policies and pursuant to any instructions from the client and/or PCM. NorthCoast will determine what securities will be purchased, retained or sold with respect to each client's accounts and what portions of clients' accounts will be invested or held uninvested in cash. NorthCoast will enter all orders through TD Ameritrade and/or Charles Schwab trade desk. NorthCoast has a minimum account size of \$100,000. NorthCoast uses stop loss orders on equity positions to protect capital. Allocation to equities will vary from 10 to 100 percent.

PCM PROTECTED EQUITY INCOME

PCM Protected Equity Income accounts are managed with the investment objective of producing income and growth of capital. In seeking this objective, PCM invests in dividend paying stocks or dividend ETFs with appreciation potential. Investors have the option to elect principal protection which involves the purchase of out of the money puts. The purchase of puts is not a guarantee to protect 100% of principal but is a form of insurance against shocks to the portfolio. Investors may lose principal in this strategy.

CONCENTRATION

PCM will hold 20 to 30 stocks in the PCM Protected Equity accounts. It is expected that each stock will represent 3% to 5% of the account but at times may be as high as 15%. Industry concentration is expected to be 10% to 15% but at times may be as high as 20%. Dividend ETFs may be used as an alternative to individual equities.

STOCK SELECTION PROCESS

The stocks in the PCM Protected Equity accounts have passed through a series of fundamental and technical screens. PCM takes the universe of dividend paying stocks including international companies and screens current yield, expected dividend increase plus earnings increase over the next 12 months. The strategy filters out candidates by payout ratios, then ranks the remaining stocks by PCM's proprietary momentum screen. PCM selects the top 20 non utility stocks and up to 10 utility stocks, or appropriate ETFs.

SELL CRITERIA

Stocks in the PCM Protected Equity accounts may be sold and /or replaced with another candidate if:

- Analyst consensus lowers dividend estimates on any stock as reported by Morningstar Database
- Analyst consensus lowers earnings estimates on any stock as reported by Morningstar Database
- A selected stock fails to meet the screening criteria during any rebalance period
- Selected stock is stopped out based upon PCM risk parameters

U.S. FIXED INCOME

The PCM U.S. Fixed Income account invests in highly rated taxable and non-taxable bonds. The primary goal of this account will be to produce consistent positive returns and regular income. To achieve this objective the average maturity of the bond portfolio is kept at three to five years. Bonds are arranged in the portfolio to mature each year over an agreed upon time period. The time period may vary from three to ten years depending on the desires of the client. It is expected that each bond will be held to maturity.

In addition to holding individual bonds as outlined above, PCM offers investors a bond strategy utilizing bond ETFs and/or mutual funds. The bond investments are rotated according to economic and market factors as frequently as semi - monthly. Investments in this bond strategy may be concentrated and hold up to 100% of the allocation in a single bond investment. Provident Capital Management seeks to only invest in highly liquid ETFs or mutual funds, but the firm cannot offer guarantees, as ETFs and mutual funds differ from holding individual bond issues. Bond ETFs and mutual funds do not offer a return of principal and are considered an equity security. ETF and mutual fund holders may not be offered the same protections as holders of

individual issues in the event of default of the bond issuer. However, because of the diversification within the ETFs and mutual funds, we believe single issue default risk is mitigated.

PCM selects ETFs and or mutual funds on macro-economic, yield, and strength of performance bases.

Examples of ETF or Mutual Fund Components include but are not limited to: (1) Longer Term United States Treasuries (+20 years) which seeks to approximate the total rate of return of the long term sector of the United States Treasury Market; (2) Emerging Market Bonds (3) an Aggregate Bond Fund which seeks investment results that correspond generally to the price and yield performance, before fees and expense of the Total United State investment grade bond (4) High yield bonds which seek to provide investment results, before fees and expenses, which correspond generally to the price and yield performance of high yield bonds (5) Short term United States Treasuries between 1-3 which seeks to approximate the total rate of return that corresponds generally to the price and yield performance, before fees and expenses, of the short-term sector of the United States Treasury Market.

The strategy rotates between various fixed income ETFs or mutual funds based upon previously mention factors. Investors may hold between one (1) or more ETF or mutual fund at any given time. Concentration in a single ETF or mutual fund can be expected. Provident Capital may elect to change the ETFs or mutual funds or the strategies exposure to other EFTs and mutual funds with varying durations, geographic focus, sector and yield curve exposure at any time.

Dynamic International ETF Strategy

This portfolio seeks to rotate investments among country-specific and country-blended Exchange Traded Funds (ETF's) that offer the greatest potential for capital appreciation primarily through equity investments in developed foreign and emerging markets. There are more than 35 country ETF's that are publicly traded in the United States.

PCM receives research from its associated company MRM Asset Allocation Group, Inc. (Saint Louis, Missouri) quarterly. This research lists which ETF stocks to buy as well as the desired percent allocation. PCM makes the allocation and then enters the trades in a batch order. Clients receive the average price of the batch order. Trades are made quarterly and therefore the account may not be as tax efficient as our other equity accounts.

PCM ABSOLUTE RETURN STRATEGY

The PCM Absolute Return Strategy invests in timely sector and index no load mutual funds (both closed and open ended) and Exchange Traded Funds with the objective of increased returns over the general market indices. The benchmark for this account is the S&P 500 index. The portfolio objective is "Absolute Positive Returns".

CONCENTRATION

The PCM Absolute Return Strategy (PCM ARS) will have concentrated holdings of leading Indexes, sectors and or industry groups. Therefore, it will not be heavily diversified. It is expected that the clients' PCM ARS accounts will hold two to four of the leading Indexes, sector or industry groups. It may, at any given time, hold up to 100% in one Index, Industry or sector. PCM may also use "bear market" funds (mutual funds or ETF's that go up when its underlying index declines). Additionally, this account may use long or short leveraged funds which have the potential to increase returns and magnify losses. It is anticipated that much of the accounts trading will be done in long or short leveraged mutual or Exchange Traded funds. Trades are

entered as "batch" orders. Clients receive the average price of the batch order. For accounts held at the Rydex Family of Funds orders are placed at 10:30 am and/or at 3:30 pm. For accounts held at FolioFX, orders are placed at 11:00 am and/or 2:30 pm. Clients receive the posted price for the applicable time.

The firm's founder, Michael Chapman, keeps a large percentage (+50%) of his personal investment capital in this strategy. His account will trade at Rydex Funds at the same time (10:30 am and/or 3:30 pm) as clients in this strategy.

DYNAMIC OVERLAY

Dynamic Overlay seeks capital growth by exploiting the efficiencies of Exchange Traded Funds (ETFs) or mutual funds within the framework of broadly diversified portfolios. The economy moves through cycles and the various asset classes perform differently at various points within the cycles. Minimum target allocations among available asset classes are established, then the quantitative and rules-based Dynamic Overlay is implemented to both manage downside risk and attempt to increase returns from asset classes that may complement the core allocations irrespective of market trend or condition.

Dynamic Overlay employs both a strategic (passive) and tactical (active) allocation, as each has benefits. The best approach is to combine both to achieve a dynamically balanced portfolio. This investment strategy does so with rules-based and quantitative management techniques in a multi-part process.

In addition to the above strategies PCM offers separate managed accounts with the objective of matching the return of our various indexes.

INDEXES OWNED AND MANAGED BY PCM

PCM owns and actively manages quantitative indexes that have an absolute return approach. The indexes are rotated by weekly, monthly or quarterly depending on the index. Periodic adjustments to structure or strategy may be made from time to time at the discretion of Provident Capital's Investment Committee.

Third party investment professionals including but not limited to Registered Investment Advisors and broker dealers may make available separately managed accounts (SMAs) that attempt to track our indexes. PCM may attempt to track the index, but will operate in full discretion as the implementation of index in client accounts. Difference in holdings and percentage of holdings between actual accounts and the index may occur.

There are three primary types of actively managed indexes developed and managed by PCM.

1. Macro: Broad based equities, fixed income, currencies and commodities.
2. Tactical: Equities and fixed income specific to countries, sectors and certain commodity ETFs
3. Asset Class Specific: Such as Absolute Metals Index, Absolute Energy Index or Absolute Currency Index.

PCM's Absolute Index Approach

Absolute Indexes typically include one or more ETFs that are inverse to the long positions. The inverse ETFs must meet the same criteria as the long ETFs to be included in the active index. Should the ETFs, not meet the inclusion criteria then the Index will rotate into a cash equivalent ETF. As the index selects a number of ETFs based upon the quantitative criteria for the index, and if the respective Index includes an inverse ETF, it is possible that the index may be simultaneously in a long position and an inverse position in the same asset class or even similar ETF.

One cannot invest directly in an index. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Not all ETFs that are current candidates for the Absolute Index were available during the timeframe reported. Provident Capital's Investment Committee makes every attempt to stay current with the availability of ETFs or other investments that may meet the standards of liquidity and transparency to be included as a candidate in any of the indexes.

Investing in separate managed accounts (SMA's) that attempt to track PCM's Indexes, including SMA's managed by PCM, may deliver many critical benefits to investors not traditionally available by investing directly into individual mutual funds. These benefits may include, but are not limited to, diversification across management firms and investment process, active monitoring of fund performance, and active modification of the portfolio based upon weakening fundamentals of any mutual fund or ETF.

Indexes are rebalanced monthly unless specifically stated. The closing price on the last trading day of the month is the buy and sell price. Inclusion of a mutual fund or exchange traded fund in an index does not in any way reflect an opinion of PCM regarding the investment merits of such a fund. None of the funds included in the index have given any real or implied endorsement or support to Provident Capital Management or to any index owned or operated by Provident Capital Management. As this is an actively managed index Provident Capital Management may add or remove ETF candidates for reasons including but not limited to volume, liquidity and ETF issuer related events.

Following is a list of the thirteen separate managed accounts we offer to track our thirteen indexes and a brief description of each. Our Composite Disclosure document showing performance and disclosures for each index is available upon request.

1. PCM's Absolute Global Macro Account

PCM's Absolute Global Macro Account uses a quantitative approach to select the top five ETFs each month. The approach uses two price strength factors counter-weighted against a volatility component of each respective ETF. In addition to meeting the above criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into a cash equivalent ETF. There are seventeen ETFs in the Global Macro account selection pool. The Global Macro account includes ETF candidates that offer broad exposure to equities, fixed income, key currencies, and commodities on a global basis. Provident Capital begins by selecting the lowest possible correlation among possible candidates for the Absolute Global Macro account. The nature of PCM's Absolute account is to reflect the strength within a specific asset class, geography and sector. PCM's Absolute account also tracks weakness in each category. This will be reflected in a shift into the inverse ETF, cash or fixed income. Provident's Absolute accounts may include inverse ETFs and therefore it is possible that PCM's Absolute accounts may simultaneously hold a long position and an inverse position in the same asset class or similar ETF. The inclusion of inverse ETFs in the selection pool makes The Global Macro a multi-directional strategy, meaning that it is possible to have gains even when stock markets decline.

2. PCM Absolute Tactical Account

PCM's Absolute Tactical Account uses a quantitative approach to select the top five ETFs monthly. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term

moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into a cash equivalent ETF. There are fifty ETFs for selection in the Tactical account. The Tactical account includes ETF candidates that offer specific exposure to country and equity sectors, fixed income, key currencies, and commodities on a global basis.

3. PCM Absolute U.S. Sector Account

PCMs Absolute U.S. Sector Account uses a quantitative approach to select the top three U.S. Sector ETFs monthly. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into a cash equivalent ETF.

4. PCM International Account

PCMs Absolute International account uses a quantitative approach when selecting the top five international country and regional ETFs each month. ETFs with exposure to the U.S. Market are excluded. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into

a cash equivalent ETF. The ETFs used each month are selected from twenty non-U.S. country specific and two broad market international ETFs. The Absolute International account is a global equity account, therefore, candidates for consideration do not include ETFs with domestic U.S. exposure.

5. PCM's Absolute Equity Income ETF Account

PCM's Absolute Equity Income ETF Account uses a quantitative approach to select the top three Income ETFs monthly. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above criteria, inclusion in the active account also requires that the selected ETFs be above trend (a long term moving average). Should the selected ETFs not meet the inclusion criteria, the account will rotate into a cash equivalent ETF.

6. PCM's Absolute Bond Account uses a quantitative approach in selecting the top two bond related ETFs each month. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into a cash equivalent ETF.

The top two ETFs are chosen each month from Six long bond ETFs and one inverse bond ETF. The Absolute Bond account is a global bond account therefore the account candidates are not limited to the United States.

7. The PCM Absolute Currency Account uses a quantitative approach to select the top currency ETF monthly. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above

criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into a cash equivalent ETF.

There are six ETFs in the selection pool of which, one will be selected monthly.

8. PCM Absolute Commodity Account uses a quantitative approach to select the top two commodity ETFs semi-monthly. The quantitative model uses two price strength factors counter-weighted against a volatility component of the respective ETF candidates. In addition to meeting the above criteria, inclusion in the active account also requires that selected ETFs be above trend (a long term moving average). Should the selected ETFs not meet the inclusion criteria, the account will rotate into a cash-equivalent ETF. There are twelve ETFs in the selection pool of which, up to two will be selected semi-monthly.

9. PCM Absolute Metals Accounts uses a quantitative approach to selecting the top two ETFs each month. The quantitative model uses two price strength factors counter-weighted against a volatility component. In addition to meeting the above criteria, inclusion in the active account also requires that the ETFs selected be above trend (a long term moving average). Should the ETFs chosen not meet the inclusion criteria, the account will rotate into a cash equivalent ETF. There are nine ETFs for selection in the Absolute Metals account. The Absolute Metals account includes ETF candidates that offer exposure to metals trading through ETFs including precious and industrial metals.

10. PCM Conservative Absolute Portfolio Account

This portfolio seeks to minimize overall portfolio draw-down while offering an element of growth. The portfolio is constructed through an allocation to Provident Capital Management's (PCM) Absolute Strategies. PCMs Absolute Strategies utilize Exchange Traded Funds (ETFs) chosen by a quantitative method believed to offer the greatest potential for capital appreciation. The allocation for this Portfolio is: Absolute Bond Strategy 30%, Absolute Equity Income Strategy 35%, Absolute Commodity Strategy 7.5%, Absolute Metals Strategy 7.5%, Absolute Global Macro Strategy 20%.

11. PCM Income Absolute Portfolio Account

This portfolio seeks to maximize income with a higher allocation to the Absolute Equity Income account. The portfolio is constructed through an allocation to Provident Capital Management's (PCM) Absolute accounts. PCMs Absolute accounts utilize Exchange Traded Funds (ETFs). The Absolute Equity Income account focuses on dividend and income related ETFs globally including government and corporate bond, real estate and preferred stock ETFs. The allocation for this account is: Absolute Bond Strategy 20.00%, Absolute Equity Income Strategy 30.00%, Absolute Commodity Strategy 12.50%, Absolute Metals Strategy 2.50%, Absolute Global Macro Strategy 25.00%.

12. PCM Stable Growth Absolute Portfolio Account

This portfolio seeks growth with an absolute investing approach. The portfolio is constructed through an allocation to Provident Capital Management's (PCM) Absolute accounts. PCMs Absolute accounts utilize Exchange Traded Funds (ETFs) that have been selected by a quantitative method believe to offer the greatest potential for capital appreciation and is rebalanced monthly. The allocation for this account is: Absolute Currency Strategy 10.00%,

Absolute Equity Income Strategy 15.00%, Absolute Commodity Strategy 15.00%, Absolute Metals Strategy 15.00%, Absolute Global Tactical Strategy 35.00%

13. PCM Stable Growth Plus Absolute Portfolio Account

This portfolio seeks growth plus income via a meaningful allocation to PCM's Global Macro, Global Tactical and Absolute Equity Income strategies. PCM's Absolute Strategies utilize Exchange Traded Funds (ETFs) that have been chosen by a quantitative method and are believed to offer the greatest potential for capital appreciation. The allocation for this account is: Absolute Currency Strategy 10.00%, Absolute Equity Income Strategy 25.00%, Absolute Global Macro Strategy 32.50%, Absolute Global Tactical Strategy 32.50%

Item 9: Disciplinary Information

In March of 2005, Provident Capital Management, LLC merged into Provident Capital Management, Inc. Provident Capital Management, Inc. thought that its investment adviser representative was registered with the Indiana Secretary of States, Securities Division, but, due to an administrative error, he was not. This issue was resolved through a consent agreement, with the Indiana Secretary of State, Securities Division, dated February 15, 2011, in which the Securities Division made no finding of any violation and a civil penalty was paid. Provident Capital Management, Inc. was registered at all times with the United States Securities and Exchange Commission.

Item 10: Other Financial Industry Activities and Affiliations

Mortgage Broker: Michael J. Chapman has a mortgage brokers license and owns 100% interest in Provident Lending, Inc. a mortgage brokerage company. Advisor may refer advisory clients to Provident Lending for purposes of client retaining a mortgage. All compensation received by Provident Lending will be disclosed to customers of Advisor who apply for loans. Provident Lending may occasionally refer customers to the Advisor. No referral fees or other compensation will be paid by Advisor for referral.

Other Financial Industry Activities or Affiliations:

Insurance Agent: Michael J. Chapman is no longer active as an insurance agent. Mr. Chapman will not receive any commissions on policies purchased by clients. For the purpose of life insurance, it is Mr. Chapman's practice to bring in an outside insurance broker who works full time with high net worth individuals designing insurance solutions. This individual acts as an independent broker and can seek out the best opportunities for clients from many different companies. There is no additional cost to the client for this service.

Thomas H. Redmond Jr. does have an insurance license. He may sell insurance and / or annuities. Provident Capital Management does not receive any compensation for any of this business. Provident Capital Management does not recommend or endorse any commission based insurance or annuity products.

Other Investment Adviser

PCM may engage various sub-advisers to provide investment supervisory services to clients whenever PCM believes that the sub-advisers' services will enhance the overall investment advice given to clients. PCM will provide clients whose accounts are sub-advised with a copy of the Sub adviser's brochure, which explains fully the services to be rendered by the sub-adviser. PCM may refer clients to other advisory firms and share in that advisory firm's advisory and/or performance fees. (These are often referred to as "third-party money managers.") Full disclosure of any advisory or performance fee sharing will be made up front to clients prior to implementing any recommendations. Additionally, all performance based fee arrangements will comply with the requirements of Rule 205 – 3 under the Investment Advisers Act of 1940.

PCM and MRM Asset Allocation Group, Inc ("MRM") are associated companies and have entered into a unique agreement where both companies have the right to use investment strategies developed by each company to manage and sub manage accounts for investors. Although each company remains under separate ownership for the present time, PCM and MRM have agreed to share their respective investment systems with each other, to provide full statistical and logistical support for their respective systems and to work together to develop further enhancements. PCM and MRM have entered into cross licensing agreements and a business continuity agreement to provide for continued management of client assets in the event of the retirement, death or disability of the principal of either company.

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

Education and Business Standards:

PCM, requires that all individuals involved in determining or giving investment advice to clients possess the highest ethical standards and technical abilities necessary to meet the needs of those who retain PCM's services. PCM will provide a copy of its code of ethics upon request.

Employee security trading policy:

PCM or any related person(s) may have an interest or position in certain securities that may also be recommended to a client. PCM has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer or employee of PCM shall not buy or sell securities for their personal portfolio where based upon material non-public information.
2. Directors, officers and employee of PCM are permitted to take positions that are identical to, similar to or opposite to positions taken in client accounts. No cross trades will be permitted between client accounts and accounts of directors, officers or employees. The performance in accounts of directors, officers and employee may be better than, the same as or worse than the performance in client accounts. investment objectives and risk tolerance may vary resulting in differing returns.
3. PCM maintains a list of all securities holdings for itself, and anyone associated with the investment advisory practice. These holdings are reviewed on a regular basis by the principals.
4. PCM requires that all individuals associated with the firm must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
5. Directors, officers and employee of PCM are permitted to batch trades with trades executed on behalf of client accounts. In the event that trades are batched, all accounts will be provided an average cost. If the entire batched order is not filled, the best prices will be allocated to customer accounts.
6. All access persons are required to report their personal securities transactions. All personal securities transactions are reviewed by an employee not involved in the trade on a quarterly

basis.

Item 12 Brokerage Practices

Equity trades placed at brokerage firms are aggregated and then allocated based on an average price. Some accounts may pay more than if trades were executed individually.

Brokerage discretion and client – directed brokerage arrangements:

In general, investment advisory clients of PCM will be referred to one or more of the following broker dealers or registered investment companies. (This list is not inclusive; other broker dealers may be used): 1) Charles Schwab and Company, 2) TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA, 3) Rydex Family of Funds or 4) Fidelity.

Factors considered when selecting brokers:

Professionalism, quality of execution, reliability, integrity, and financial stability.

Factors in determining the reasonableness of their commissions:

Commissions are one of several important factors to consider in choosing the appropriate broker. PCM desires the most competitive commissions from brokers for the clients' security executions.

Value of products, research and services:

PCM searches out and desires its clients have the most appropriate and suitable products for their needs.

Higher commissions: generally, clients pay competitive commissions for similar products and services from similar brokers.

Research: N/A

Transactions for products: N/A

Advisor 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 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 Item 14 below.)

Item 13 Review of Accounts

Condition for Managing Accounts:

With regard to professional money management, there are stated minimums depending upon the manager selected and specific scope of services. These minimums include both the amount that must be managed or monitored initially and /or a minimum annual fee to be invoiced. All of this is discussed with client prior to agreement to begin this service.

A. Review of money management accounts:

Most portfolios are reviewed at some level monthly. Reviews, or special reviews not involving all accounts, are triggered by one or more of the following: 1) A change in investment objectives, financial situation and/or guidelines, 2) Diversification, 3) Equity ratio, 4) Tax considerations, 5) Cash added or withdrawn from management, 6) Purchase or sale of a security, and 7) computer exception reports which monitor cash available for investment and security holdings whose size exceed certain guidelines.

B. Nature and frequency of regular reports for investment advisory clients:

Investment advisory clients receive monthly custodial transaction and asset statements. PCM conducts reviews (in person or via phone) with clients, generally, on a quarterly (calendar) basis to discuss the status of their account(s). PCM provides a quarterly statement of assets that presents a concise summary of the cost or other basis and current market value of all managed assets held in the portfolio at the close of each quarter. PCM provides clients with year-end summaries of transactions for capital gains and losses.

Item 14 Client Referrals and Other Compensation

Additional compensation:

PCM may participate in TD Ameritrade and/or Charles Schwab & Company's Financial Advisors Service and other such programs. While there is no direct linkage between the investment advice given and participation in these programs, economic benefits are received which would not be received if PCM did not give investment advice to clients. These benefits may include: receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk, access to block trading that provides the ability to aggregate securities transactions and allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from client accounts, access (for a fee) to an electronic communications network for client order entry and account information, receipt of compliance publications, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

As disclosed under Item 12.B. above, Registrant participates in TD AMERITRADE's INSTITUTIONAL customer program and Registrant may require clients to maintain accounts with TD AMERITRADE/recommend TD AMERITRADE to clients for custody and brokerage services. There is no direct link between Registrant's participation in the program and the investment advice it gives to its clients, although Registrant 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): 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 Registrant by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by Registrant's related persons and may also pay or reimburse expenses (including travel, lodging, meals and entertainment expenses) for Registrant's personnel to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit Registrant but may not benefit its client accounts. These products or services may assist Registrant in managing and administering client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Registrant manage and further develop its

business enterprise. The benefits received by Registrant [or its personnel] through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by Registrant or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Registrant's choice of TD AMERITRADE for custody and brokerage services.

Additional compensation (Continued)

Registrant 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. Registrant may make these Additional Services available to its affiliates without cost. Specifically, the Additional Services include the Schwab Performance Technology Portfolio Center. TD AMERITRADE provides the Additional Services to Registrant in its sole discretion and at its own expense, and Registrant does not pay any fees to TD AMERITRADE for the Additional Services. Registrant and TD AMERITRADE have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Registrant's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Registrant, TD AMERITRADE most likely considers the amount and profitability to TD AMERITRADE of the assets in, and trades placed for, Registrant's client accounts maintained with TD AMERITRADE. TD AMERITRADE has the right to terminate the Additional Services Addendum with Registrant, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD AMERITRADE, Registrant may have an incentive to recommend to its clients that the assets under management by Registrant be held in custody with TD AMERITRADE and to place transactions for client accounts with TD AMERITRADE. In addition, Registrant shares the Additional Services with its affiliated entities. Consequently, Registrant's clients' brokerage commissions and custodial fees generated at TD AMERITRADE may be used to benefit Registrant's affiliates. Registrant's receipt of Additional Services does not diminish its duty to act in the best interests of its clients, including to seek best execution of trades for client accounts.

Registrant has agreements with brokerage firms and investment advisory firms to provide advisory services to clients of those entities. Sometimes the services are performed as a sub advisor and sometimes the services are provided as a model manager. When the ultimate client selects PCM, the advisory fee is shared between PCM and the brokerage firm or investment advisory firm for the ultimate client. There is no other compensation to PCM other than a share of the advisory fee charged to the ultimate client.

Item 15 Custody

Not applicable to this firm.

Item 16 Investment Discretion

The firm only accepts new accounts when it is given full investment discretion, (i.e. to make investment decisions for the account without prior consultation with the client). The firm's discretionary authority regarding investments may, however, be subject to certain limitations, e.g. restrictions or prohibitions placed by the client on transactions in certain types of securities or industries. Any such limitations are to be agreed upon in advance with each client.

Equity trades placed at brokerage firms are aggregated and then allocated based on an average price. Some accounts may pay more than if trades were executed individually.

Item 17 Voting Client Securities

PROXIES

Adviser will not vote proxies. Client is responsible for proxy voting.

Item 18 Financial Information

Not applicable to this firm.

Item 19 Requirements for State-Registered Advisers

Not applicable to this firm.