

# **Alpha Capital Funds Management, LLC**

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Atlanta, GA 30305  
404.604.2290**

**[www.alphacapitalfunds.com](http://www.alphacapitalfunds.com)**

## **Disclosure Brochure**

**March 31, 2016**

This brochure provides information about the qualifications and business practices of Alpha Capital Funds Management, LLC. If you have any questions about the contents of this brochure, please contact us at 404.604.2290. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Alpha Capital Funds Management, LLC is an investment adviser registered with the SEC. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an investment adviser are intended to provide you with information to assist in your determination as to whether or not to retain the services of that investment adviser.

Additional information about Alpha Capital Funds Management, LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Material Changes**

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Alpha Capital Funds Management, LLC (“ACFM”, we, us, our, ours), will provide our disclosure brochure (“brochure”) to you when we enter into an advisory agreement with you. Our brochure will be updated no less than annually. Within 120 days of our fiscal year end we will deliver a summary of material changes which have been made to our brochure since its last annual update. This summary will include information about how you may obtain an updated brochure at no charge, and it will include the date of the last annual update. We will provide updated disclosure information about material changes more frequently as needed.

**Alpha Capital Funds Management, LLC has made no material changes since our last brochure dated March 1, 2015.**

A copy of our current brochure may be requested by contacting Brad Alford, Chief Investment Officer at 404-604-2290 or [balford@alphacapitalmgmt.com](mailto:balford@alphacapitalmgmt.com). We will provide you with a copy of our current brochure at any time without charge.

Information about your Advisory Representative may be found in the supplements to our brochure.

Alpha Capital Funds Management, LLC

CRD Number 155737

SEC No. 801-71990

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## **Advisory Business**

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Alpha Capital Funds Management, LLC (“ACFM”, we, us, our, ours), is a Limited Liability Company organized under the laws of Georgia. The firm is registered with the SEC and provides investment management services to mutual funds. Brad Alford is the principal owner and Chief Investment Officer of the firm. Information about his background and qualifications can be found in the supplement at the end of this brochure.

### **Investment Advisory Services**

ACFM provides investment advisory services to related investment companies through the use of quantitative asset allocation strategies using primarily mutual funds and exchange traded funds (“ETFs”) in various combinations. Management styles, objectives and constraints are described in the respective fund prospectuses. Portfolios are tailored to the funds’ objectives.

### **Assets Under Management**

As of December 31, 2015, we managed approximately \$42.1 million in client assets on a discretionary basis where we made all of the investment decisions.

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## **Fees and Compensation**

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Our services are offered on a fee only basis. The funds are charged an annual fee of 65 basis points. Fees are calculated on the market value of the funds’ monthly average daily balance as determined by the custodian as of the close of business each month and are payable monthly in arrears. Fees for the initial quarter are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect.

We have the right to change any or all of our fee schedules as agreed upon by contract with the individual funds. We may negotiate fees at the sole discretion of our management. Comparable services for lower fees may be available from other sources.

The fund custodian calculates our fees and pays us directly for our services. Our fees

are considered an internal expense of the mutual funds we manage.

In addition to our fee, the mutual funds we advise may be required to pay other charges such as custodial fees, brokerage commissions, mark-ups and mark-downs, transaction fees, internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and other fees and taxes on brokerage accounts and securities transactions.

Mutual fund companies and ETFs charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us **and** in addition to the internal fees and expenses charged by the mutual funds we advise which purchase them. Complete details of the internal fees and expenses of the underlying funds are explained in the prospectuses for each investment.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

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## **Performance-Based Fees**

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We do not charge performance-based fees for any of the services described in this brochure. Performance-based fees are generally based on a percentage of the capital gains on and/or appreciation of the client account assets.

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## **Types of Clients**

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We provide advisory services to investment companies (mutual funds). We do not have any requirements for opening or maintaining an account.

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## **Methods of Analysis, Investment Strategies and Risk of Loss**

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We construct our portfolios by screening the universe of underlying fund managers using qualitative and quantitative inputs to determine which underlying funds should be included in the portfolio. The actual selection and weight of each underlying fund is determined by expected risk-adjusted contributions to the overall portfolio in addition to our outlook for each sector and strategy. Under most market conditions, we include exposure to one or more strategies or sectors designed to increase downside protection and reduce overall fund volatility.

Underlying funds can be sold for a number of reasons and are reviewed on a case-by-case basis. Reasons for selling a fund may include:

- underperformance of the fund vs. peers or expectations,
- identification of a more attractive fund,
- identification of a lower cost fund,
- an increase in volatility of a fund's returns,
- an unwanted change or drift in a fund's strategy, or
- a change in the fund's management.

Although we manage portfolios in a manner consistent with the stated objectives and constraints, we do not guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

All investments involve the risk of loss, including (among other things) loss of principal, a reduction in earnings (including interest, dividends and other distributions), and the loss of future earnings. These risks include market risk, interest rate risk, issuer risk, and general economic risk. A detailed explanation of the risks is contained in the prospectus for the funds we advise. You are urged to read the prospectus before investing any money.

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## **Disciplinary Information**

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We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

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## **Other Financial Industry Activities and Affiliations**

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Alpha Capital Management (“ACM”) is an SEC-registered investment adviser that owns 22% of ACFM. Brad Alford is the principal owner and Chief Investment Officer of both ACM and ACFM. ACM may recommend to their advisory clients the purchase or sale of mutual funds we manage.

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

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We have adopted a *Code of Ethics* (“*Code*”) to address the standard of business conduct required of our Advisory Representatives and employees. The *Code* includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our Advisory Representatives and employees be conducted in a manner consistent with the *Code* and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that Advisory Representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the *Code* to you or any prospective client upon request.

Our advisory representatives and employees are prohibited from buying and selling the same securities for their personal and family accounts that are bought or sold for client account(s) during blackout periods, generally the three days prior to a purchase or sale of a security in the funds.

The personal securities transactions of our Advisory Representatives and employees may raise potential conflicts of interest when they trade in a security that is owned by a mutual fund we advise or is being considered for purchase or sale for a mutual fund we advise.

We have adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our Advisory Representatives and employees to act in the client’s best interest,
- prohibit favoring one client over another,
- require pre-clearance of securities purchased by Advisory Representatives and employees,
- provide for the review of transactions to discover and correct any same-day

trades that result in an Advisory Representative or employee receiving a better price than a client, and

- restrict purchases and sales by advisory representatives and employees of the securities being bought or sold in our client accounts three days prior to the purchase and sale of a security by the mutual fund.

Our Advisory Representatives and employees are required to annually certify their adherence to our Code of Ethics.

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## Brokerage Practices

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We utilize US Bancorp Brokerage Services, LLC (“US Bancorp”) as the custodian for client accounts. We are independently owned and operated and not affiliated with US Bancorp. Our use of US Bancorp is, however, a beneficial business arrangement for us and for US Bancorp. Information regarding the benefits of this relationship is described below.

Our recommendation of US Bancorp as custodian and as the securities brokerage firm responsible for executing transactions for client portfolios is based in part on our existing relationship, their financial strength, reputation, breadth of investment products, and the cost and quality of custody and brokerage services provided to our clients.

The determining factor in the selection of US Bancorp to execute transactions for client accounts is not the lowest possible transaction cost, but whether US Bancorp can provide what is in our view the best qualitative execution for our clients.

In addition to brokerage and custody services, US Bancorp may provide access to investments generally available to institutional investors; research; software; and, educational opportunities. US Bancorp may also make available or arrange for discounts on compliance, marketing, research, technology, and practice management products or services provided to us by third party vendors. Thus, we receive economic benefits as a result of our relationship with US Bancorp, because we do not have to produce or purchase the products and services listed above.

These services are not contingent upon us committing any specific amount of business to US Bancorp in trading commissions. ACFM does not enter into any “soft dollar” arrangements with custodians and broker/dealers through which we receive



research or other services based on commissions generated in our client's accounts or the number transactions effected in our client's accounts.

Our recommendation of specific custodians may be based in part on the economic benefit to us and not solely on the nature, cost or quality of custody and brokerage services provided to our clients. This may create a conflict of interest for us. We nonetheless strive to act in our client's best interests at all times.

Commissions for transactions executed through US Bancorp may be higher than commissions and other fees available if we use another securities brokerage firm to execute transactions. We believe, however, that the overall level of services and support provided to our clients by US Bancorp outweighs the benefit of possibly lower transactions cost which may be available under other brokerage arrangements.

Research received by us from custodian/ broker-dealers may be used for the benefit of any or all of our clients, including accounts that did not pay commissions to the firm providing the research. Products or services other than research received by us are used only for the benefit of the account that paid commissions to the custodian/broker-dealer providing such services.

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## **Review of Accounts**

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All mutual funds that we advise are monitored on an ongoing basis with a formal review conducted at least quarterly. The reviews focus on the consistency of portfolio investments with each fund's stated objectives and constraints.

On a monthly basis, the performance of each fund is reviewed to monitor consistency with market benchmarks that we deem applicable. Account reviews may also be triggered by other factors such as changes in general economic and market conditions, analyst reports, issuer news and interest rate movement. Brad Alford, Chief Investment Officer, is responsible for all reviews.

Each mutual fund we advise will receive reports as required by its board of directors.

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## **Client Referrals and Other Compensation**

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We may enter into written agreements with certain unaffiliated investment advisers, broker-dealers, and other professionals (such as CPAs, attorneys, etc.) to compensate

them for referring clients to us. We will pay these individuals (referred to as “solicitors”) a percentage of the advisory fee that clients pay us if it is determined that they have become a client of ours as a result of the solicitor’s direct or indirect efforts.

The payments we make to a solicitor will not result in an increase in the amount of the advisory fee that the referred client will pay.

Our solicitation or referral arrangements will comply with applicable laws that govern:

- the nature of the services provided;
- the fees to be paid;
- disclosure of solicitor arrangements to clients; and
- client consents, as required.

We receive certain economic benefits as a result of our business arrangement with US Bancorp. Those benefits are described in detail in the section above entitled, “Brokerage Practices.”

Except as described above, ACMF does not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

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## **Custody**

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Our only clients are mutual funds. We do not have custody of any client assets.

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## **Investment Discretion**

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As previously noted, we offer our advisory services on a discretionary basis. This means that we do not need advance approval to determine the type and amount of securities to be bought and sold for the mutual funds we advise. This discretion is used in a manner consistent with the stated investment objectives and constraints for each fund.

We also have the ability to choose the broker-dealer through which transactions will be executed and to negotiate brokerage commissions. Additionally, our discretionary authority does not allow us to withdraw funds from client accounts.

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## **Voting Client Securities**

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ACFM's portfolio managers will vote proxies for securities held in the mutual funds we advise in accordance with our policies and procedures regarding proxy voting. These proxy voting policies and procedures contain guidelines that we follow in order to minimize conflicts of interest and to ensure that it votes proxies in a manner consistent with the best interest of its clients. Our proxy voting policies and procedures, including information on how securities were voted, are available upon written request to:

Alpha Capital Funds Management, LLC  
Attn: Chief Investment Officer  
3060 Peachtree Road NW, Suite 240,  
Atlanta, GA 30305.

In addition, ACFM actively reviews and may elect to participate in class action lawsuits involving securities on behalf of its clients.

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## **Financial Information**

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We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you. We have not been the subject of any bankruptcy proceedings.

**Bradley H. Alford**  
**Alpha Capital Funds Management, LLC**

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**Brochure Supplement**

**March 4, 2016**

This brochure supplement provides information about Bradley Alford that supplements the ACFM brochure. You should have received a copy of that brochure. Please contact Bradley Alford, Chief Investment Officer, if you did not receive ACFM's brochure or if you have any questions about the contents of this supplement.

Additional information about Bradley Alford, CRD Number 4489604, is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## ***Educational Background and Business Experience***

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**Bradley H. Alford**

***Year of birth:*** 1965

***Formal education:***

- ✦ University of Alabama, B.S., Commerce & Business Administration, 1987
- ✦ University of Alabama, MBA, Finance 1989

***Business background:***

- ✦ Alpha Capital Management, LLC, Chief Investment Officer, (07/06 - Present)
- ✦ Alpha Capital Funds Management, LLC, Chief Investment Officer, Managing Member (11/10 – Present)
- ✦ Atlantic Trust, Managing Director (04/02 – 07/06)
- ✦ myCFO, Inc., Director of Investment Advisory Services (01/01 – 04/02)
- ✦ Monarch Venture Partners, Partner (05/00 – 12/00)
- ✦ Duke Endowment, Managing Director (01/96 – 05/00)
- ✦ Emory Endowment, Director of Endowments (10/89 – 01/96)

***Professional designations:***

Brad Alford holds the CFA<sup>®</sup> professional designation.

**CFA – Chartered Financial Analyst** – designation, or CFA charter, is granted by the CFA Institute. Candidates must pass each of three six-hour exams, possess a bachelor's degree from an accredited institution (or have equivalent education or work experience) and have 48 months of qualified, professional work experience. They are also obligated to adhere to a strict Code of Ethics and Standards governing their professional conduct.

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## ***Disciplinary Information***

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Brad Alford has not been the subject of any legal or disciplinary event.

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### ***Other Business Activities***

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Mr. Alford is also the Chief Investment Officer and Managing Member of Alpha Capital Management, an advisory affiliate of Alpha Capital Funds Management, LLC.

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### ***Additional Compensation***

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Brad Alford does not receive any additional compensation related to the advisory services provided to you.

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### ***Supervision***

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Brad Alford is the sole Managing Member of Alpha Capital Funds Management, LLC. As such, there are no other members to supervise him or monitor his activity. Mr. Alford may be reached at 404.604.2290.

Mr. Alford is bound by the firm's *Code of Ethics*, its compliance procedures, and the advisory agreement with each client.