

# *Alpha Capital Funds Management, LLC*

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## *Disclosure Brochure*

*November 17, 2010*

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 or by any state securities authority.

Alpha Capital Funds Management, LLC is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

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

## Material Changes

On August 12, 2010, the United State Securities and Exchange Commission (“SEC”) published “Amendments to Form ADV” which requires us to provide clients and prospective clients (“you, your, yours”) with a brochure and brochure supplements written in plain English. This brochure dated November 17, 2010 is prepared according to the SEC’s new requirements and rules. As a result, we are providing you with a brochure that not only looks different, but contains more information than required of earlier disclosure documents.

We will ensure that you receive a summary of any material changes to our brochures by April 29th of each year. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Currently, our brochure may be requested by contacting

Allen Webb, Chief Compliance Officer and Head of Risk Management, at 404.604.2294 or [awebb@alphacapitalmgmt.com](mailto:awebb@alphacapitalmgmt.com). Our brochure is also available on our website <http://www.pgcapitalmgmt.com>. We will provide you with a new brochure at any time without charge.

Additional information about Alpha Capital Funds Management, LLC (“ACFM, we, us, our, ours”) is also available via the SEC’s website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC’s website also provides information about any persons affiliated with us who are registered as our investment adviser representatives. Information on our investment adviser representatives who work with your account can be found in our brochure supplements on the page shown in the table of contents to the right of this column.

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## ***Advisory Business***

Alpha Capital Funds Management is a limited liability company organized under the laws of the state of Georgia during November of 2010. The firm was registered with the SEC to provide 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.

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 relevant fund prospectuses. Portfolios are tailored to the funds’ objectives rather than individual client needs and are managed by our employees.

We currently have no assets under management. All assets will be managed by us on a discretionary basis.

## ***Fees and Compensation***

We offer our services 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 month are adjusted pro rata based upon the number of calendar days in the month that the advisory 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. The fees and expenses of these underlying funds 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.

### ***Performance-Based Fees***

Performance-based fees are based on a share of capital gains on, or the capital appreciation of, the investments of a client. We do not charge performance-based fees on any of our client accounts.

### ***Types of Clients***

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

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

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 an underlying fund include:

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

### ***Disciplinary Information***

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.

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

Alpha Capital Management (“ACM”) is an SEC-registered investment adviser that owns 10% 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 managed by us.

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

We have adopted a *Code of Ethics* (“*Code*”) to address the securities-related conduct 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.

We do not buy or sell securities for our own account that we also recommend to clients. However, our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

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

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over

- another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representatives or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

### ***Brokerage Practices***

We may recommend that the custodian for your account be US Bancorp Brokerage Services, LLC (“US Bancorp”). US Bancorp will assist us in servicing your 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.

In recommending US Bancorp as custodian and as the securities brokerage firm responsible for executing transactions for your portfolios, we consider at a minimum US Bancorp’s:

- relationship with us,
- financial strength,
- reputation,
- reporting capabilities,
- execution capabilities,
- pricing, and
- types and quality of research.

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

US Bancorp provides us with access to its institutional trading and custody services. We are not required to effect a minimum volume of transactions or maintain a minimum dollar amount of client assets to receive these services:

- brokerage,
- custody,
- research, and
- access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

US Bancorp does not charge separately for holding our clients accounts, but may be compensated by you through other transaction-related fees associated with the securities transactions it executes for your accounts.

US Bancorp also makes available to us other products and services that benefit us but may not benefit you directly. Some of these products and services assist us in managing and administering our client accounts, such as software and other technology that:



- provide access to account data such as:
  - duplicate trade confirmations,
  - bundled duplicate account statements, and
  - access to an electronic communication network for client order entry and account information;
- facilitate trade execution, including:
  - access to a trading desk serving advisory participants exclusively and
  - access to block trading which provides the ability to combine securities transactions and then allocate the appropriate number of shares to each individual account;
- provide research, pricing information and other market data;
- facilitate payment of our fees from client accounts; and
- assist with back-office functions, record keeping and client reporting; and
- receipt of compliance publications.

US Bancorp also makes available to us other services intended to help us manage and further develop our business. These services may include:

- consulting,
- publications and conferences on practice management,
- information technology,
- business succession,
- regulatory compliance, and
- marketing.

US Bancorp may also make available or arrange for these types of services to be provided to us by independent third parties. US Bancorp may discount or waive the fees it would otherwise charge for some of the services it makes available to us. It may also pay all or a part of the fees of a third-party providing these services to us. 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.

Because the amount of our compensation or the products or services we receive may vary depending on the broker-dealer we recommend to be used by our clients, we may have a conflict of interest in making that recommendation. Our recommendation of specific broker-dealers 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 you and our other clients. We nonetheless strive to act in your best interests at all times.

Commissions for transactions executed through US Bancorp may be higher than commissions and other fees available if you use another securities brokerage firm to execute transactions for your account. 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.

We may engage in bunched trading, which is the purchase or sale of a security for the accounts of multiple clients in a single transaction. If a bunched trade is executed, each participating client receives a price that represents the average of the prices at which all of the transactions in a given bunch were executed. Executing a bunched trade allows transaction costs to be shared equally and on a pro rata basis among all of the participating clients. If the order is not completely filled, the securities purchased or sold are distributed among participating clients on a pro rata basis or in some other equitable manner. Bunched trades are placed only when we reasonably believe that the combination of the transactions provides better prices for clients than had individual transactions been placed for clients. Transactions for nondiscretionary client accounts are not bunched with transactions for discretionary client accounts. Transactions for the accounts of our employees and advisory representatives may be included in bunched trades. They receive the same average price and pay the same commissions and other transaction costs,

as clients. Transactions for the accounts of our advisory representatives or employees will not be favored over transactions for client accounts.

We are not obligated to include any client account in a bunched trade. Bunched trades will not be effected for any client's account if doing so is prohibited or otherwise inconsistent with that client's investment advisory agreement. No client will be favored over any other client.

### ***Review of Accounts***

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.



## ***Client Referrals and Other Compensation***

The economic benefits we receive as a result of our business arrangement with US Bancorp are described in the section entitled “Brokerage Practices.”

We do not directly or indirectly compensate any person who is not one of our advisory representatives or employees for client referrals.

## ***Custody***

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

## ***Investment Discretion***

We offer our advisory services on a discretionary basis. This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We also have the ability to choose the broker-dealer through which transactions will be executed and to negotiate brokerage commissions. We do not, however, have the ability to withdraw funds from your account. This discretion is used in a manner consistent with the stated investment objectives and constraints for each fund.

## ***Voting Client Securities***

Our portfolio managers vote the proxies on securities held in the mutual funds we advise. We have adopted policies and procedures designed to prevent conflicts of interest from influencing proxy voting decisions made on behalf of the mutual funds and to ensure that these decisions are in accordance with our fiduciary obligations. Our proxy voting policies and procedures, including information on how your securities were voted, are available upon written request to Alpha Capital Funds Management, Attn: Chief Compliance Officer, 1355 Peachtree Street, Suite 750, Atlanta, GA 30309.

In addition, we actively review and may elect to participate in class action lawsuits involving securities on your behalf.

## ***Financial Information***

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

Bradley Huston Alford

***Alpha Capital Funds Management LLC***

***1355 Peachtree Street***

***Suite 750***

***Atlanta, GA 30309***

***404.604.2290***

Brochure Supplement

November 17, 2010

This brochure supplement provides information about Brad Alford that supplements the Alpha Capital Funds Management brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer if you did not receive Alpha Capital Funds Management's brochure or if you have any questions about the contents of this supplement.

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

## **Educational Background and Business Experience**

Bradley Huston Alford  
Year of birth 1965

### *Formal education includes:*

- University of Alabama – 1987, BS, Commerce & Business Administration
- University of Alabama – 1989, MBA - Finance

### *Designations:*

Chartered Financial Analyst (CFA) - 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.

Certified Financial Planner (CFP) – As of January 2007, a bachelor's degree, in any field of study or program, and at least three years of qualifying full-time work experience are required to obtain CFP® certification. Additionally, candidates must pass each section of the 10-hour exam that is divided into three separate sessions. After meeting the education, examination, and work experience requirements, candidates must disclose past or pending litigation or agency proceedings and agree to abide by CFP Board's Code of Ethics and Professional

Responsibility and Financial Planning Practice Standards. Upon successful completion, candidates receive authorization to use the CFP® and Certified Financial Planner marks.

### *Business background:*

- Alpha Capital Funds Management, LLC, Chief Investment Officer, 11/2010 – Present
- Alpha Capital Management, LLC, Chief Investment Officer, 07/2006 – Present
- myCFO, Inc.; Director of Investment Advisory Services; 01/2001 – 04/2002
- Monarch Venture Partners; Partner; 05/2000 – 12/2000
- Duke Endowment; Managing Director; 01/1996 – 05/2000
- Emory Endowment; Director of Endowment Investments; 10/1989 – 01/1996

## **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each individual providing investment advice. Brad Alford has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Mr. Alford is also the Chief Investment Officer and Managing Member of Alpha

Capital Management, an advisory affiliate of Alpha Capital Funds Management.

### ***Additional Compensation***

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

### ***Supervision***

We supervise Mr. Alford by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics. We will monitor the advice that Mr. Alford gives to you by

- A review of client correspondence on an as needed basis.

Mr. Alford is supervised by our Chief Compliance Officer, Allen Webb. Mr. Webb can be reached at 404.604.2294.

performing the following reviews:

- A review of relevant account opening documentation when the relationship is established
- A daily review of account transactions,
- Review custodial information on a quarterly basis to assess account activity,
- Perform annual oversight to ensure that Mr. Alford is aware of your current financial situation, objectives, and individual investment needs

W. Allen Webb, Jr.

***Alpha Capital Funds Management LLC***

***1355 Peachtree Street***

***Suite 750***

***Atlanta, GA 30309***

***404.604.2290***

Brochure Supplement

November 17, 2010

This brochure supplement provides information about Allen Webb that supplements the Alpha Capital Funds Management brochure. You should have received a copy of that brochure. Please contact our Chief Investment Officer if you did not receive Alpha Capital Funds Management's brochure or if you have any questions about the contents of this supplement.

Additional information about Allen Webb is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

W. Allen Webb  
Year of birth 1968

### *Formal education includes:*

- Vanderbilt University of Alabama – 1991, BS, Mathematics
- University of Alabama – 1993, MBA

### *Designations:*

Chartered Financial Analyst (CFA) - 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.

### *Business background:*

- Alpha Capital Funds Management, LLC, Chief Compliance Officer, 11/2010 – Present
- Alpha Capital Management, LLC, Head of Risk Management and Chief Compliance Officer, 09/2010 – Present
- Cross Creek Capital Management, Inc., President; 05/2010 – 10/2010
- Deutsche Bank Alex Brown, Client Analyst; 2008 – 2010

- Cross Creek Capital Management, Inc., President; 2007 – 2008
- ING Investment Management, Senior Portfolio Manager; 2000 – 2005

## **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each individual providing investment advice. Allen Webb has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

Mr. Webb is also the Chief Compliance Officer and Managing Member of Alpha Capital Management, an advisory affiliate of Alpha Capital Funds Management.

## **Additional Compensation**

Mr. Webb does not receive any additional compensation related to the advisory services provided to you.

## **Supervision**

We supervise Mr. Webb by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics. We will monitor the advice that Mr. Webb gives to you by performing the following reviews:

- A review of relevant account opening documentation when the

- relationship is established
- A daily review of account transactions,
- Review custodial information on a quarterly basis to assess account activity,
- Perform annual oversight to ensure that Mr. Webb is aware of your current financial situation, objectives, and individual investment needs, and
- A review of client correspondence on an as needed basis.

Mr. Webb is supervised by our Chief Investment Officer, Bradley Alford. Mr. Alford can be reached at 404.604.2290.