

OMB Number: 3235-0049  
 Expires: February 28, 2011  
 Estimated average burden  
 hours per response: ..... 4.07

**FORM ADV**  
**Part II - Page 1**      **Uniform Application for Investment Adviser Registration**

Name of Investment Adviser:

**Capital Cities Asset Management, Inc.**

Address: (Number and Street)	(City)	(State)	(Zip code)	Area Code:	Telephone Number
<b>11651 Jollyville Road, Suite 200</b>	<b>Austin,</b>	<b>Texas</b>	<b>78759</b>	<b>(512)</b>	<b>219-7566</b>

This part of Form AD V gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any governmental authority.

**Definitions for Part II**

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

<b>1. A. Advisory Services and Fees.</b> (check the applicable boxes)		For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)	
<b>Applicant:</b>			
<input type="checkbox"/>	(1) Provides investment supervisory services.....		
<input checked="" type="checkbox"/>	(2) Manages investment advisory accounts not involving investment supervisory services.....		72%
<input checked="" type="checkbox"/>	(3) Furnishes investment advice through consultations not included in either service described above.....		28%
<input type="checkbox"/>	(4) Issues periodicals about securities by subscription.....		
<input type="checkbox"/>	(5) Issues special reports about securities not included in any service described above.....		
<input type="checkbox"/>	(6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities.....		
<input type="checkbox"/>	(7) On more than an occasional basis, furnishes advice to clients on matters not involving securities.....		
<input type="checkbox"/>	(8) Provides a timing service.....		
<input type="checkbox"/>	(9) Furnishes advice about securities in any manner not described above.....		
(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)			
<b>B.</b> Does applicant call any of the services it checked above financial planning or some similar term?.....		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<b>C.</b> Applicant offers investment advisory services for: (check all that apply)			
<input checked="" type="checkbox"/>	(1) A percentage of assets under management	<input type="checkbox"/>	(4) Subscription fees
<input type="checkbox"/>	(2) Hourly charges	<input type="checkbox"/>	(5) Commissions
<input type="checkbox"/>	(3) Fixed fees (not including subscription fees)	<input checked="" type="checkbox"/>	(6) Other
<b>D.</b> For each checked box in A above, describe on Schedule F:			
<ul style="list-style-type: none"> <li>the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee</li> <li>applicant's basic fee schedule, how fees are charged and whether its fees are negotiable</li> <li>when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date</li> </ul>			
<b>2. Types of clients</b> — Applicant generally provides investment advice to: (check those that apply)			
<input checked="" type="checkbox"/>	A. Individuals	<input checked="" type="checkbox"/>	E. Trusts, estates, or charitable organizations
<input type="checkbox"/>	B. Banks or thrift institutions	<input checked="" type="checkbox"/>	F. Corporations or business entities other than those listed above
<input type="checkbox"/>	C. Investment companies	<input checked="" type="checkbox"/>	G. Other (describe on Schedule F)
<input checked="" type="checkbox"/>	D. Pension and profit sharing plans		

<b>FORM ADV</b> <b>Part II - Page 2</b>	Applicant: <b>Capital Cities Asset Management</b>	SEC File Number: 801- <b>45494</b>	Date: <b>4/28/2010</b>
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**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities                                       | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                             |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                     | <input type="checkbox"/> I. Options contracts on:                          |
| <input checked="" type="checkbox"/> (3) foreign issuers  | <input checked="" type="checkbox"/> (1) securities                         |
|  | <input type="checkbox"/> (2) commodities                                   |
| <input type="checkbox"/> B. Warrants   |  |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> J. Futures contracts on:                          |
| <input checked="" type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (1) tangibles                                     |
| <input checked="" type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> K. Interests in partnerships investing in:        |
|  | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                                     | <input type="checkbox"/> (2) oil and gas interests                         |
| <input checked="" type="checkbox"/> (1) variable life insurance                                | <input checked="" type="checkbox"/> (3) other (explain on Schedule F)      |
| <input checked="" type="checkbox"/> (2) variable annuities                                     |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                                     | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)       |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Long term purchases (securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases (securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)              | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input checked="" type="checkbox"/> Short sales   |  |

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?..... ☒ Yes ☐ No  
(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

<b>FORM ADV</b> <b>Part II - Page 3</b>	Applicant: <b>Capital Cities Asset Management</b>	SEC File Number: <b>801- 45494</b>	Date: <b>4/28/2010</b>
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**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- ☐ C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

**See Schedule F**

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..... Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**9. Participation or Interest in Client Transactions.**

- ☒ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.**

- Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?..... Yes ☒ No ☐

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. For reviews, include their frequency, different levels, and triggering factors. For reviewers, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.
- All securities held in various client accounts are reviewed on a daily basis by a member of the investment management team. All accounts participating in the same CCAM Investment Program are managed in a similar manner, except for accounts with client-requested restrictions. The daily reviews focus on the analysis of all investment positions with respect to: price action of securities, portfolio objectives, global market conditions, and performance of alternative securities. Individual accounts are reviewed by trading personnel before and after a trade is made along with the normal quarterly performance reviews conducted by the account representative. These reviews focus on proper trade executions and overall allocation of assets within each portfolio.

Events triggering additional reviews include: client requests, changes in client objectives or financial status, world political and financial events, and other events that may affect investment positions.

<b>FORM ADV</b> <b>Part II - Page 4</b>	Applicant: <b>Capital Cities Asset Management</b>	SEC File Number: <b>801- 45494</b>	Date: <b>4/28/2010</b>
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**11. Review of Accounts.** (continued)

B. Describe below the nature and frequency of regular reports to clients on their accounts.

CCAM provides normal client reporting on a quarterly basis. The written quarterly report includes a detailed portfolio performance report through the most recent calendar quarter.

The account custodians (Fidelity, Ameritrade, etc.) provide monthly or quarterly statements detailing transactions, management fee deductions, and account positions at the end of the month or quarter. Clients whose accounts are held at some custodians may also receive a confirmation statement for each transaction in the account.

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |   |  |                                |
|---|--|--------------------------------|
| (1) securities to be bought or sold?.....               | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/> |
| (2) amount of the securities to be bought or sold?..... | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/> |
| (3) broker or dealer to be used?.....                   | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/> |
| (3) commission rates paid?.....                         | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients?..... Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |  |  |   |
|--|--|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients?..... | Yes<br><input type="checkbox"/>            | No<br><input checked="" type="checkbox"/> |
| B. Directly or indirectly compensates any person for client referrals?.....  | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? .....	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Item of Form (identify)	Answer																				
<b>Part II</b> <b>Page 1</b> <b>Item 1</b>	<p><b>ADVISORY SERVICES AND FEES</b></p> <p><b><u>MANAGED INVESTMENT ADVISORY ACCOUNTS</u></b></p> <p>Capital Cities Asset Management, Inc. (CCAM) provides portfolio management services through numerous investment programs. These programs span a wide range of risk and performance objectives, with the majority of assets being held in third-party Exchange Traded Funds (ETF) and mutual funds. Some of the portfolios are based primarily on mutual funds from Fidelity. Others are based on mutual funds from a wide variety of fund families that are no-load or that usually do charge a load but that CCAM can buy for clients at net asset value. Still other programs may emphasize ETFs or individual securities. Even though portfolios may focus on a particular investment vehicle, any combination thereof is eligible for any portfolio.</p> <p>When appropriate to the needs of the client, CCAM may recommend the use of trading (securities sold within 30 days), short sales, margin transactions, options, or hedge funds. Because these investment strategies involve certain degrees of risk, they will only be recommended if consistent with the client's stated tolerance for risk.</p> <p>Assets invested in shares of mutual funds or ETFs are subject to the management fees charged by the mutual fund and ETF management companies, which are assessed as an expense. Clients of CCAM are, in effect, paying two advisory fees. First, clients pay a management fee to CCAM based on the market value of the client's assets under CCAM's management. In addition, clients indirectly pay another management fee to the investment advisor of each mutual fund or ETF based on the client's investment in that fund.</p> <p>The fee schedules for these services are listed below. Both higher and lower fees for comparable services may be available from other sources.</p> <p><b><u>MANAGED INVESTMENT CONSULTATIONS</u></b></p> <p>Capital Cities Asset Management (CCAM) provides generalized market analysis, recommendations, and investment advice to unaffiliated registered investment advisors, institutions, or other third parties, through consultations or written or oral reports ("Managed Investment Consultations"). These services may be given on an ad hoc or more frequent basis, as contracted with the unaffiliated third party. For these Managed Investment Consultations, CCAM receives a negotiated fee that is typically equal to a certain percentage of assets managed by the unaffiliated third party. These Managed Investment Consultation services may be provided by CCAM either independently of, or in conjunction with, the services it provides to clients for which it acts as a sub-advisor or investment advisor.</p> <p>CCAM may solicit clients on behalf of another advisor. CCAM may also contract with others to supply sub-advisory and solicitation services to CCAM.</p> <p><b><u>FEE SCHEDULES</u></b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Clients with <i>less than</i> one million under management:</p> <p><u>Assets Under Management</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">First \$100,000</td> <td style="width: 40%; text-align: right;">2.40%</td> </tr> <tr> <td>Next \$150,000</td> <td style="text-align: right;">2.00%</td> </tr> <tr> <td>Next \$250,000</td> <td style="text-align: right;">1.60%</td> </tr> <tr> <td>Next \$500,000</td> <td style="text-align: right;">1.40%</td> </tr> </table> </td> <td style="width: 50%; vertical-align: top;"> <p style="text-align: center;">Clients with <i>one million or more</i> under management:</p> <p><u>Assets Under Management</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">First \$1,000,000</td> <td style="width: 40%; text-align: right;">1.60%</td> </tr> <tr> <td>Next \$1,000,000</td> <td style="text-align: right;">1.30%</td> </tr> <tr> <td>Next \$1,000,000</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Next \$2,000,000</td> <td style="text-align: right;">0.80%</td> </tr> <tr> <td>Over \$5,000,000</td> <td style="text-align: right;">Negotiable</td> </tr> </table> </td> </tr> </table> <p>Notes: Fees are billed quarterly, in advance, at 1/4 of the annual rates shown above. If a client has more than one account with CCAM, all account balances (including Flexible Income and Absolute Return Strategy) will be aggregated to determine which rate scale (one million or more or less than one million under management) applies.</p>	<p style="text-align: center;">Clients with <i>less than</i> one million under management:</p> <p><u>Assets Under Management</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">First \$100,000</td> <td style="width: 40%; text-align: right;">2.40%</td> </tr> <tr> <td>Next \$150,000</td> <td style="text-align: right;">2.00%</td> </tr> <tr> <td>Next \$250,000</td> <td style="text-align: right;">1.60%</td> </tr> <tr> <td>Next \$500,000</td> <td style="text-align: right;">1.40%</td> </tr> </table>	First \$100,000	2.40%	Next \$150,000	2.00%	Next \$250,000	1.60%	Next \$500,000	1.40%	<p style="text-align: center;">Clients with <i>one million or more</i> under management:</p> <p><u>Assets Under Management</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">First \$1,000,000</td> <td style="width: 40%; text-align: right;">1.60%</td> </tr> <tr> <td>Next \$1,000,000</td> <td style="text-align: right;">1.30%</td> </tr> <tr> <td>Next \$1,000,000</td> <td style="text-align: right;">1.00%</td> </tr> <tr> <td>Next \$2,000,000</td> <td style="text-align: right;">0.80%</td> </tr> <tr> <td>Over \$5,000,000</td> <td style="text-align: right;">Negotiable</td> </tr> </table>	First \$1,000,000	1.60%	Next \$1,000,000	1.30%	Next \$1,000,000	1.00%	Next \$2,000,000	0.80%	Over \$5,000,000	Negotiable
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<b>Schedule F of Form ADV</b> <b>Continuation Sheet for Form ADV Part II</b>	<b>Applicant:</b> <b>Capital Cities Asset Management, Inc.</b>	<b>SEC File Number:</b> <b>801-45494</b>	<b>Date:</b> <b>4/28/2010</b>
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Item of Form (identify)	Answer
	<p>The fees for the Flexible Income and Absolute Return Strategy programs are 1/2 of the fees listed above. Balances in the Flexible Income and Absolute Return Strategy strategies may not be aggregated with other strategies to determine breakpoints within each rate scale.</p> <p>CCAM will negotiate a fee schedule on a case by case basis for:</p> <ol style="list-style-type: none"> <li>1) Clients with more than \$5,000,000 in assets under management</li> <li>2) Clients with less than \$100,000 under management</li> <li>3) Non-discretionary services</li> <li>4) Custom programs and services</li> <li>5) Sub-Advisor Services</li> <li>6) Managed Investment Consultation Services</li> <li>7) Performance-based advisory fee options</li> <li>8) Consulting, recommending, or purchase of hedge funds, closed-end funds, or other alternative investments</li> </ol> <p><b><u>OTHER COSTS:</u></b></p> <p>Clients are responsible for all fees imposed by custodians, funds, variable annuity subaccounts, and other third parties. These fees may include, but are not limited to, transaction fees, account service fees, loads, and redemption fees. Account service fees may include items such as IRA custodial fees, wire transfer fees, etc. Some investment vehicles carry redemption fees of up to 2.0% or more, which vary by fund in terms of percentage and minimum required holding period. Redemption fees are deducted from sales proceeds by the custodian at the time of redemption. Accounts using margin will also be assessed margin interest expenses. Accounts trading stocks and ETFs will be charged commissions by the custodian/broker on stock and ETF trades.</p> <p>Fidelity charges a short-term trading fee of .75% of the sale for shares of Fidelity Select funds held less than 30 days.</p> <p>Mutual funds that <i>are not</i> included in your respective custodian's No-Transaction-Fee group are subject to a transaction fee upon purchase and sale. Mutual funds that <i>are</i> included in your respective custodian's No-Transaction-Fee group may be subject to a short-term trading fee upon sale.</p> <p>For variable insurance products (variable annuities and variable universal life), clients are responsible for any expenses levied by the respective insurance company, including, but not limited to, transaction fees, redemption fees, and surrender charges.</p> <p><b><u>PERFORMANCE-BASED ADVISORY FEES</u></b></p> <p>CCAM offers a negotiated management fee option, called a performance-based advisory fee. The performance-based advisory fee consists of two parts: (i) a maintenance fee plus (ii) an incentive fee that is based on a percentage of the gains in a client's account. To qualify for this type of fee schedule, a client must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000 under management with CCAM. A client's specific fee schedule is detailed in an amendment to their Advisory Agreement.</p> <p>Implementation of a performance-based advisory fee may create an incentive for CCAM to recommend investments that may be riskier or more speculative than those which would be recommended under a different fee arrangement. A performance-based advisory fee arrangement may result in increased compensation for CCAM. The client must understand the proposed method of compensation and its risks prior to entering into the contract.</p> <p><i>Performance-based advisory fees will only be charged in accordance with the provisions of reg. 205-3 of the Investment Advisers act of 1940 and/or applicable state regulations. The fees will not be offered to any client residing in a state in which such fees are prohibited.</i></p>

<b>Schedule F of Form ADV</b> <b>Continuation Sheet for Form ADV Part II</b>	<b>Applicant:</b> <b>Capital Cities Asset Management, Inc.</b>	<b>SEC File Number:</b> <b>801-45494</b>	<b>Date:</b> <b>4/28/2010</b>
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Item of Form (identify)	Answer
	<p><b><u>EFFECTIVE DATE AND TERMINATION OF ADVISORY AGREEMENT</u></b></p> <p>The Investment Advisory Agreement is effective upon the date of signing and covers all investment portfolios. The Agreement will run through December 31 of each year and shall be renewed automatically for successive one-year terms unless terminated as described below. If the client terminates the Agreement within five (5) days of signing, CCAM agrees to return any fees received for executing said Agreement, except service fees for accounts which have been opened in that five-day period.</p> <p>Either party may terminate the Agreement, with termination effective immediately upon receipt of written notice. Management fees paid in advance will be calculated on a pro-rated basis, with the excess to be refunded by CCAM. Management fees paid in arrears will be calculated on a pro-rated basis and will be immediately due and payable.</p> <p>Any payment for management fees more than 30 days past due will be assessed a 10% premium.</p> <p><b><u>INVESTMENT PROGRAMS</u></b></p> <p>CCAM consults with clients to develop an investment portfolio that attempts to be consistent with the client's goals, objectives, and risk tolerance. The resulting client portfolio is typically a mixture of various CCAM investment programs. CCAM offers investment programs that are primarily conservative fixed-income oriented to ones that are primarily aggressive equity oriented. Each client's portfolio can be customized through the allocations to conservative and aggressive investments.</p> <p>The majority of investment programs managed by CCAM utilize an active approach to the market by rotating client assets into Exchange Traded Funds (ETFs), Exchange Traded Notes (ETNs), mutual funds, closed-end funds, and other securities that it believes will appreciate in value.</p> <p>The portfolios may have exposure to a wide variety of securities, including but not limited to: style, sector, specialty, debt, international, inverse, high yield "junk" bonds, zero-coupon bonds, treasury bonds, corporate bonds, municipal bonds, convertible bonds, international debt, conservative growth, utilities, real estate, preferred equities, emerging market debt, money market funds, unit investment trusts, closed end funds, international equity, country specific funds, geographic specific, global asset allocation, international sector, diversified international funds, commodities, currencies, and Certificates of Deposit. Some of the funds purchased for clients may contain futures, swaps, options, and other derivatives.</p> <p>The objective of most CCAM programs is to outperform a relative benchmark over a full market cycle. Benchmarks vary based on the risk nature of the program, but are typically based on popular stock and bond indexes, both domestic and international.</p> <p>Investment programs are subject to change. Market and security price fluctuations can result in a loss of capital. The objectives for CCAM programs range from conservative to very aggressive. There is no assurance that any of the stated objectives will be met. Programs with an international component will also be affected by the fluctuating value of the U.S. dollar in relation to foreign currencies and political events in foreign countries.</p> <p>If appropriate for a client's needs and objectives, CCAM may recommend an equity portfolio investing in individual stocks, with the flexibility to hold cash and/or short equity positions. Short selling is an inherently riskier strategy than standard purchases of stock.</p> <p>If no combination of the standard CCAM product offerings or investment approaches meets the needs of our clients, then CCAM will work with the client to jointly define and implement a custom investment strategy. A few of the possible strategies include, but are not limited to: hedge funds, treasury ladders, hedging, income, CDs, CCAM acting as a sub-advisor, wrap manager, separate account manager, new programs, other alternative investments, non-discretionary accounts, use of outside managers, and strategic asset allocation programs that are either tax sensitive or non-tax sensitive in nature. The intent is to provide the types of programs our clients want and/or need. All fees for custom programs are determined on a negotiated basis. In general, the fees for custom programs will be higher than those of CCAM's standard programs with similar objectives unless they involve a considerable amount of assets.</p> <p>CCAM has the ability to work with clients whose investment choices are limited by the custodian or plan sponsor. Common examples might include variable annuities, 403(b) and 401(k) plans. The attainment of the</p>

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Item of Form (identify)	Answer						
	<p>client objectives may be affected by the limited number of subaccounts and investment options available as well as other constraints imposed by the sponsor.</p> <p>CCAM may offer clients an opportunity to utilize other investment management firms for asset allocation portfolios, privately managed account programs, or other investment objectives. The outside managers strictly manage a client's assets and do not provide any consultations on a client's circumstances nor do they alter their portfolios based on a client's individual needs or requests. CCAM is not affiliated with these outside managers.</p> <p><b><u>FINANCIAL PLANNING</u></b></p> <p>CCAM provides non-comprehensive planning advice in the form of a written investment plan. The plan is developed from information provided by the client. The plan focuses on investing and investment goals, as opposed to encompassing all financial aspects such as budgeting, college funding, estate planning, etc. This service is provided upon request, and CCAM does not charge separately for these services. Recipients of plans are under no obligation to hire CCAM to manage their investments.</p>						
<b>Part II</b> <b>Page 1</b> <b>Item 2G</b>	<p><b>TYPES OF CLIENTS</b></p> <p>CCAM provides investment advice to the following types of clients:</p> <table> <tr> <td>Individuals</td><td>Pension and profit sharing plans</td></tr> <tr> <td>Trusts, estates, or charitable organizations</td><td>Corporations or business entities</td></tr> <tr> <td>Other Investment Advisors</td><td></td></tr> </table>	Individuals	Pension and profit sharing plans	Trusts, estates, or charitable organizations	Corporations or business entities	Other Investment Advisors	
Individuals	Pension and profit sharing plans						
Trusts, estates, or charitable organizations	Corporations or business entities						
Other Investment Advisors							
<b>Part II</b> <b>Page 2</b> <b>Item 3L</b>	<p><b>TYPES OF INVESTMENTS</b></p> <p>At times, CCAM may introduce clients to investment managers who provide discretionary management of pooled investments or individual portfolios of equity and/or fixed income securities. Outside managers have developed their own strategies based on their information and research. Strategies are typically implemented with individual equities, but all types of securities may be utilized.</p> <p>At times, CCAM may recommend that clients invest in hedge funds, closed-end funds, and other alternative investments.</p>						
<b>Part II</b> <b>Page 2</b> <b>Item 4</b>	<p><b>METHODS AND ANALYSIS, SOURCES OF INFORMATION, AND INVESTMENT STRATEGIES</b></p> <p>CCAM also makes use of the following main sources of information:</p> <ul style="list-style-type: none"> <li>Financial newspapers and magazines</li> <li>Research material prepared by AllStarInvestor.com</li> <li>Research material prepared by others</li> <li>Mutual fund rating services</li> <li>Stock rating and evaluation services</li> <li>Timing services</li> <li>Annual reports, prospectuses, filings with the SEC</li> <li>Company press releases</li> <li>Broadcast news services</li> <li>Broadcast and dial-up quote services</li> <li>Internet and the World Wide Web</li> <li>Other online news and data services</li> </ul>						
<b>Part II</b> <b>Page 2</b> <b>Item 5</b>	<p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>CCAM sets minimum education and business standards for all personnel providing investment advice to clients. Requirements for advisory staff include a college degree, correct registration with federal and/or state jurisdictions, and at least three years direct investment experience.</p>						



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<b>Part II</b> <b>Page 2</b> <b>Item 6</b>	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p>Background information is listed for individuals that determine general investment advice and firm executives. If your account representative (account executive) is not listed, please see the accompanying brochure titled with your account executive's name.</p> <p><b><u>Ronald E. Rowland</u></b></p> <p>Ronald E. Rowland is the President and Chief Executive Officer of CCAM. He also heads up the investment management team. Prior to February 1995, he served as the company's Chief Investment Officer beginning with its inception in November 1993. He is also President of AllStarInvestor.com and the Executive Editor and Publisher of all publications produced by that firm.</p> <p>Mr. Rowland was born in 1955 and his formal education includes a BS in Electrical and Computer Engineering from the University of Cincinnati in 1978 with additional studies in the same field at the University of Texas from 1978 to 1981.</p> <p>Mr. Rowland's prior business experience includes Chief Investment Officer of Capital Cities Asset Management, Inc. (11/93-2/95), Managing Partner of RSM Sector Partnership (8/93-12/94), Lead Portfolio manager for the Chameleon Fund (12/00-5/02), and Owner and Editor of <i>The Sector Ace</i>, a Registered Investment Advisor and mutual fund newsletter (1/91-12/94).</p> <p><b><u>Tanya M. Card</u></b></p> <p>Tanya M. Card is Vice President of Operations and Chief Compliance Officer with CCAM. She joined the firm in 1998. Ms. Card was born in 1972 and graduated with a BA in Business Administration from Truman State University (formerly Northeast Missouri State University) in 1995. She has been investing since 1989.</p> <p><b><u>Patrick W. Watson</u></b></p> <p>Patrick W. Watson serves as Portfolio Manager and a Research Analyst for CCAM. Mr. Watson is also a member of the investment management team. He joined CCAM in 2004. Mr. Watson was born in 1964. He holds an undergraduate degree from Howard Payne University and an M.A. from Rice University, both in Political Science.</p> <p>Previously he spent ten years at Austin-based ProFutures Investments as VP of Marketing and Product Development.</p> <p><b><u>Brian E. Campos</u></b></p> <p>Brian Campos joined CCAM in 2010 as the Director of Wealth Management. Brian was born in 1974, and he graduated from James Madison University. The last five years Brian spent in the Washington DC area, where he worked in the high net worth investment planning division of Fidelity Investments and for an independent wealth management firm, Meringoff Wealth Management.</p>
<b>Part II</b> <b>Page 3</b> <b>Item 8C</b>	<p><b>OTHER FINANCIAL INDUSTRY AFFILIATIONS</b></p> <p>CCAM has no affiliations with other registered companies. CCAM does have an arrangement that is important to its business with AllStarInvestor.com, a non-registered firm and a publisher of financial information. Mr. Rowland is an employee and majority owner of both companies. Both companies share office space in Austin, Texas.</p>
<b>Part II</b> <b>Page 3</b> <b>Item 9</b>	<p><b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</b></p> <p>On occasion, CCAM may engage in principal transactions. If CCAM does engage in a principal transaction, it is usually to obtain or to provide a minimal number of shares (less than 10) of a mutual fund that is closed to new investors.</p> <p>CCAM investment programs are not identical to the portfolios in the <i>All Star Fund Trader</i> newsletter, or other publications of AllStarInvestor.com. However, both CCAM clients and the newsletter portfolios may hold the</p>

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	<p>same securities. CCAM may place trades on behalf of client accounts prior to, simultaneous to, or after recommendations for the same securities in the AllStarInvestor.com publications.</p> <p>CCAM, its employees and affiliates, may buy and sell for itself the individual securities that it recommends for its clients. All employees of CCAM are required, as a condition of employment, to follow the firm's written code of ethics when conducting transactions in their own accounts. The timing of these transactions is such that they will not take place three days before, or on the same day as, similar transactions being executed for the clients of CCAM unless the account is being managed in one of the defined CCAM strategies. This restriction is for individual securities only and does not apply to mutual funds, variable insurance products, government issued securities, bankers' acceptances, commercial paper, CDs, or investment trusts (UIT, SPDRs, etc.). The code of ethics does allow for some exemptions to the timing rule outlined above. In addition, employees are required to provide duplicate statements and transaction confirmations to the compliance officer in order to ensure compliance with the rules established by the code of ethics. A copy of the code of ethics is available upon request.</p>
<b>Part II</b> <b>Page 3</b> <b>Item 10</b>	<p><b>CONDITIONS FOR MANAGING ACCOUNTS</b></p> <p>CCAM typically imposes a minimum of \$100,000 of assets under management per client relationship and a minimum of \$50,000 in any single CCAM managed account. Some of the Combination Investment Programs have a \$200,000 minimum. CCAM reserves the right to change the amount of these minimums from time to time or to waive them in whole or in part. In the event that a lower minimum is offered or negotiated, the account may be subject to a minimum fee. Custom programs and programs utilizing outside managers may have larger minimums.</p>
<b>Part II</b> <b>Page 4</b> <b>Item 12A</b>	<p><b>INVESTMENT AND BROKERAGE DISCRETION</b></p> <p>CCAM has custody of clients' funds or securities but only for the purpose of deducting management fees. CCAM will not accept securities or funds delivered by a client. If a client does send CCAM an unsolicited security, cash, or other negotiable instrument, it will be returned to the client within three business days.</p> <p>CCAM has authority to determine, without specific client consent, the securities to be bought or sold, through the account custodians and brokerages, by virtue of a Limited Power of Attorney. This authority solely allows CCAM trading authority and the authority to transfer funds to another account in the client's name with the identical account registration type. At no time may CCAM or its personnel withdraw funds to itself or to a third party, with the exception of management fees and service fees as described herein.</p> <p>CCAM requires that clients open and maintain an account with the appropriate custodian, broker, or mutual fund for each CCAM portfolio that the client is investing in.</p> <p>All commissions and fees paid to brokers and custodians are determined by their standard fee schedule, unless CCAM has a negotiated fee schedule in place, for the services rendered. CCAM will not seek the client's approval prior to these commissions and fees being paid.</p> <p>For investment programs that utilize securities with pricing throughout the day, such as individual stocks and ETFs, CCAM puts forth its best efforts to aggregate the orders by trading the accounts in each program at each custodian as a block (also called bunched) trade. When this is done, all accounts in the block (bunch) should receive the same average price.</p> <p>Unless the client and CCAM have otherwise agreed in writing, the client expressly retains the authority and responsibility for the voting of proxies and CCAM shall have no authority or obligation to take any action or render any advice with respect to the voting of proxies solicited by or with respect to issuers of securities in which account assets may be invested from time to time.</p>
<b>Part II</b> <b>Page 4</b> <b>Item 12B</b>	<p><b>SUGGESTED CUSTODIANS AND BROKERS</b></p> <p>CCAM typically makes a recommendation of a custodian and broker that the client should use based upon the investment program that the client is investing in. CCAM's recommendation is based foremost on the feasibility of the particular custodian to handle the types of securities and transactions that the investment program requires. Custodian and broker recommendations are based on the following considerations:</p>

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	<ul style="list-style-type: none"> <li>- ability to provide access to and custody services for the securities involved</li> <li>- ability to execute transactions in a timely and efficient manner for securities involved</li> <li>- ability to provide a trading platform compatible with CCAM's trading methodology</li> <li>- ability to provide trade aggregation on block trades</li> <li>- ability to electronically exchange data with CCAM</li> <li>- ability to provide low cost transaction fees and commissions on trades</li> <li>- ability to provide proper accounting of client load credits</li> <li>- ability to provide load funds at Net Asset Value</li> <li>- ability to provide margin borrowing</li> <li>- ability to provide client account documentation (statements/confirms/etc.)</li> <li>- ability to provide fee billing for accounts</li> </ul> <p>For most investment programs, CCAM will recommend the use of TD Ameritrade or Fidelity Investments as custodian and broker. Other custodians and brokers utilized include, but are not limited to, Fidelity Tax Exempt Services and the variable product divisions of various life insurance companies. Additional brokers and custodians will be considered and used that may be better suited to a given program or specific client.</p> <p>In the event that CCAM is directed by a client to use a particular custodian or broker or dealer, CCAM may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or appropriate service levels. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct CCAM to use a particular broker or dealer and other clients who do not direct CCAM to use a particular broker or dealer.</p>
<b>Part II</b> <b>Page 4</b> <b>Item 13</b>	<p><b>ADDITIONAL COMPENSATION</b></p> <p>Due to the condition of maintaining a certain level of assets with Fidelity Investments, CCAM is provided with some complimentary materials including, but not limited to, marketing materials, mutual fund research, and planning software.</p> <p>Neither CCAM nor a related person has any arrangement where it is paid cash by or receives some economic benefit from a non-client in connection with giving advice to clients.</p> <p>Neither CCAM nor a related person has any arrangement where it directly or indirectly receives any 12b-1 fees, load fees, or redemption fees from any mutual fund as the result of clients investing in those funds.</p> <p>Certain mutual funds have initiated the payments of service fees to advisors that use specific classes of their funds. Any fees that CCAM receives from any mutual fund company in this manner will be used to reduce the fees that clients of CCAM pay to CCAM. Any client affected by this will be notified and will be provided with the fee offset (or reimbursement) calculation.</p> <p>CCAM may compensate others for client referrals, provided that individual or firm is properly registered and licensed (where required) and has a solicitor's agreement in place with CCAM. In addition, the clients will be advised of such an arrangement in accordance with Rule 206(4)-3 under the Investment Advisors Act of 1940. CCAM may receive compensation for referrals it makes.</p> <p><b><i>End of Schedule F</i></b></p>

## **Capital Cities Asset Management Privacy Policy**

The privacy of our clients is of highest importance to Capital Cities Asset Management (CCAM). In order to provide you with the absolute best service possible from our firm, we collect personal information. We constantly strive to protect this information and your privacy.

The nonpublic personal information we collect includes information (i) you provide to us on account applications, investor profiles, and other forms or (ii) we obtain in other ways to provide our services, such as communications with you and custodians.

The following include our procedures to protect your nonpublic personal information:

- We do not provide any personal information to unaffiliated third parties, except with your prior consent or as permitted by law, such as information provided to and received from a custodian or secondary advisor.
- We provide security measures for both our physical location as well as information kept via electronic means in an effort to protect the integrity of your personal information.
- Employees with access to nonpublic personal information are required to sign a confidentiality agreement to safeguard that information.
- We do not sell or rent any names of current or prior customers to mailing lists or other parties.

Information such as name, address, and phone numbers is shared with our affiliate, AllStarInvestor.com, in order to provide services that may interest you.

**A copy of this policy is also available on our website, [www.ccam.com](http://www.ccam.com).**