

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Matthai & Associates, Incorporated Trading As Matthai Capital Management
5430 Campbell Blvd.
Ste. 207
White Marsh, MD 21162-5504
Phone: 410-933-5640
Fax: 410-933-5642
Website: www.matthai.com
March 31, 2011

This brochure provides information about the qualifications and business practices of Matthai Capital Management. If you have any questions about the contents of this brochure, please contact us at 410-933-5640. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

Item 2 Material Changes

Matthai Capital Management ("The Adviser") has made several material changes since its last brochure update 06/27/2007 as noted below:

1. The Adviser does not provide financial planning.
2. The Adviser does not have the authority to decide the broker/dealer to be used for transactions without specific consent from the client.
3. The Adviser does not have the authority to decide what commission rates are paid for transactions.
4. The Adviser does have the ability to be paid in cash or receive other economic benefit from a non-client in connection with giving advice from clients.

Item 3 Table of Contents

Advisory Business	Page 3
Fees and Compensation	Page 4
Performance-Based Fees and Side-By-Side Management	Page 5
Types of Clients	Page 6
Methods of Analysis, Investment Strategies and Risk of Loss	Page 7
Disciplinary Information	Page 8
Other Financial Industry Activities and Affiliations	Page 9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 10
Brokerage Practices	Page 11
Review of Accounts	Page 12
Client Referrals and Other Compensation	Page 13
Custody	Page 14
Investment Discretion	Page 15
Voting Client Securities	Page 16
Financial Information	Page 17
Requirements for State-Registered Advisers	Page 18

Item 4 Advisory Business

Matthai Capital Management (“Adviser”) was founded in June 1990 by George M. Matthai and provides investment supervisory services for clients for a percentage of assets under management. The Adviser focuses primarily on clientele desiring capital preservation with growth opportunities with mutual funds and ETFs but does not limit itself to those types of securities. Other types of investments include:

- Equity securities (exchange listed and over-the-counter)
- Warrants
- Corporate debt securities
- Municipal securities
- U.S. government securities
- Options contracts on securities

As of 12/31/10, the Adviser had the following in assets under management:

Discretionary	Accounts: 22	Assets: \$46,685,327.90
Non-Discretionary	Accounts: 23	Assets: \$8,397,949.12
Total	Accounts: 45	Assets: \$55,083,277.02

Item 5 Fees and Compensation

The Adviser charges fees as a percentage of assets under management in the following manner:

\$0- \$300,000	1.5%
Next \$200,000	1.25%
Next \$500,000	1.00%
Next \$1,000,000	0.80%
Next \$8,000,000	0.60%

In certain circumstances, this fee may be increased or decreased (discounted) by the Adviser based on the complexity and nature of services to be provided.

Fees are payable quarterly, in arrears, and are based upon the total asset value of client's investment portfolio as of the date of Adviser was engaged to provide services and thereafter on the last business day of the immediately preceding quarter.

Fees will be directly deducted from client's account at the custodian on a quarterly basis as described above unless other arrangements are made with Adviser. Client may incur other fees not related to the Adviser such as but is not limited to: custodial fees, mutual fund expenses, and other transaction costs. For further detail about brokerage fees and costs are described in the "Brokerage Practices" Section.

All advisory contracts may be terminated upon written notice. Any unearned fees will be refunded to the client on a pro rata basis from the date of termination.

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

The Adviser does not have performance- based fees or utilize side-by-side management. The only fees charged to client are noted in the “Fees and Compensation” section.

Item 7 Types of *Clients*

The Adviser has the following types of clients:

- Individuals
- High Net Worth Individuals
- Pension and Profit Sharing Plans
- Trusts
- Estates
- Charitable Organizations
- Corporations not listed above

Methods of Analysis

The Adviser typically uses the following types of methods for analysis alone or in combination:

- Charting
- Fundamental
- Technical

Investment Strategies

The Adviser typically employs the following types of investment strategies:

- Long term purchases (held for more than a year)
- Short term purchases (held for less than a year)
- Trading (sold within 30 days)
- Margin transactions
- Option writing

Investing in securities involves risks that clients should be prepared to bear. Each type of investment strategy may have unique risk associated with it. A true long term investment strategy can be susceptible to inflation and market downturns. While a short term investment strategy can be subject to market volatility. An active trading strategy may incur additional transaction costs and taxes and affect investment performance. Margin transaction could be subject to maintenance margin requirements, and margin loans must be repaid regardless of the underlying value of the securities purchased. Options writing has several kinds of risks. An options holder may risk the entire amount paid for the option. An options writer may be assigned the option at any time during which the option is exercisable. Losses in options contracts may be significant.

The Adviser typically recommends but is not limited to the following types of securities:

- Mutual Funds
- ETFs

Both of these types of securities may incur expenses above and beyond management fees deducted by the Adviser. While the Adviser does not collect or receive any portion of these fees, the client is responsible for paying any applicable fees or costs assigned by the custodian.

Item 9 Disciplinary Information

The Adviser does not have any disciplinary history.

Item 10 Other Financial Industry Activities and Affiliations

The Adviser is not involved in any other financial industry activities and does not have any affiliates.

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

The Adviser has a Code of Ethics (“COE”) and Personal Trading Policy. The COE requires all employees of the Adviser to:

- Always conduct him/herself with honesty, integrity, and in good faith.
- Exercise independent judgment and place client interests ahead of his/her own.
- Conduct him/herself with due care and diligence.
- Respect the confidentiality of internal confidential information.
- Disclose and ethically handle actual or perceived conflicts of interest.
- Comply with all applicable laws, rules and regulations of governmental and regulatory organizations, including all insider trading laws.
- Report any violations or suspected violations of this Code of Ethics to the Chief Compliance Officer.

A copy of the Code of Ethics is available upon request.

There may be occasions in which employees of the Adviser buy or sell securities that it also recommends to clients. This may create a conflict of interest between Adviser and clients. However, the Adviser has put a Personal Trading Policy into place to ensure that the client’s interests always come first. All employees’ buys and sells of non-exempted securities as defined by regulations are pre-cleared to ensure there is no conflict with trading taking place on behalf of clients.

Item 12 Brokerage Practices

The Adviser currently uses several custodians to custody client's assets. These custodians are: Raymond James, TD Ameritrade, and Fidelity. These custodians have been chosen based on their operational abilities, product availability, and competitive commission charges and other costs. Each of these custodians may have their own fee and cost schedules they are entitled to as a custodian of the account. These fees and costs are completely independent of the Adviser, and the Adviser does not receive any portion of these collected costs. By executing transactions with the above custodians it is not guaranteed that a client will receive the most favorable execution of their trades, which in turn may cost clients more money.

While these custodians have been chosen by the Adviser for transaction execution, clients may implement a recommended investment strategy through a custodian of their choice. Any other custodian the client chooses may also have a fee or cost schedule for providing custodial services. By executing transactions at a custodian of the client's choice, it is not guaranteed that a client will receive the most favorable execution of their trades, which may in turn may cost the clients more money.

The Adviser does not have any soft dollar arrangements and does not receive research, products, or services other than execution from the above mentioned parties.

Occasionally the Adviser will aggregate the purchase and sale of securities for clients' accounts in order to try to achieve better execution. However, on a routine basis, this is not standard practice. This may be of cost to clients depending on the size of potentially aggregated orders.

Item 13 Review of Accounts

All accounts are reviewed no less frequently than quarterly. Accounts under discretionary management are reviewed daily. George M. Matthai, President of the Adviser, conducts all account reviews.

Client will receive statements from their brokerage account custodian on a regular basis but no less frequently than quarterly. Special written portfolio performance summaries will be provided quarterly to clients whose portfolios are under professional management of the Adviser.

Item 14 *Client Referrals and Other Compensation*

The Adviser does not pay for or receive compensation for client referrals.

The Adviser may receive compensation or other economic benefit from a third party custodian (including commissions, equipment, or non-research services) which may create a conflict of interest. However, the Adviser is bound by its policies and procedure to ensure the most favorable execution possible for client transactions.

Item 15 *Custody*

The Adviser has custody for the sole purpose of deducting the appropriate quarterly management fees on a quarterly basis. Adviser does not routinely provide invoices to clients, but an invoice will be available upon request. Client will receive statements from the custodian that custodies his/her accounts on at least a quarterly basis. Client will also receive a written performance portfolio management summary from Adviser on a quarterly basis. Clients are encouraged to compare these documents to ensure accuracy.

Item 16 Investment Discretion

The Adviser may have discretion in some client accounts. Clients will give Adviser discretion through the execution of the Matthai Capital Management Account Agreement. Clients may choose not to give discretion to the Adviser.

Item 17 Voting *Client* Securities

The Adviser does not vote proxies on the behalf of clients. Client should receive their proxy materials from the custodian or transfer agent. However, in the event the Adviser receives such material, it will forward all proxy materials to clients. Furthermore, Adviser will not advise clients on how to vote their proxies.

Item 18 Financial Information

The Adviser had custody for the sole purpose of deducting quarterly management fees. It does not solicit payments of \$500 per client or more six (6) months in advance for services. The Adviser has not been subject to bankruptcy and knows of no reason that its financial condition would be impaired in meeting its contractual obligations to clients.

Item 19 Requirements for State-Registered Advisers