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This brochure provides information about the qualifications and business practices of San Antonio Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 210-233-6065 or by email at wsolcher@sacapitalmanagement.com. 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 San Antonio Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This is an update from our March 2011 brochure update. Effective July 25, 2011 we changed our business address, website address and added a trust division. This information is outlined on our cover page and in Item 10.

In the past we have offered or delivered information about our qualifications and business practices to our clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year which is December 31st. We will provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure, as necessary, based on changes or new information. Currently, our Brochure may be requested at any time, without charge, by contacting us at 210-233-6065.

Item 3 Table of Contents

Item 2 Material Changes	2
Item 3 Table of Contents.....	3
Item 4 Business.....	5
Advisory Firm Description.....	5
Types of Advisory Services	5
Tailored Advisory Services	5
Client Assets under Management.....	5
Item 5 Fees and Compensation	5
Item 6 Performance-Based Fees and Side-By-Side Management.....	7
Item 7 Types of Clients	7
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	7
The Client Investment Process.....	8
1. Strategic Planning	8
2. Determine Asset Allocation.....	8
3. Implement Portfolio	9
4. Monitor and Rebalance	9
SACM Portfolios	9
Item 9 Disciplinary Information	11
Item 10 Other Financial Industry Activities and Affiliations.....	11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	12
Code of Ethics	12
Misuse of Nonpublic Information.....	12
Personal Securities Trading.....	12
Outside Business Activities	13
Item 12 Brokerage Practices.....	13
Research and Other Soft-Dollar Benefits	14
Brokerage for Client Referrals.....	14
Directed Brokerage	14
Order Aggregation	14
Item 13 Review of Accounts	15
Item 14 Client Referrals and Other Compensation	15
Item 15 Custody.....	15

Item 16 Investment Discretion.....	15
Item 17 Voting Client Securities.....	16
Item 18 Financial Information	16

Item 4 Business

Advisory Firm Description

San Antonio Capital Management, LLC (“SACM” or “Firm”) has been in business since May 2009. The principal owner is San Antonio Capital & Trust Company LLC, which is wholly owned by San Antonio Capital & Trust Holdings, LLC.

Types of Advisory Services

SACM provides *investment supervisory services* to separate account portfolios on a discretionary basis. The Firm also provides *consulting services* on a project basis negotiated with the client in advance of services being provided. For clients not currently under a discretionary management agreement, consulting services may include, but are not limited to, the review of current investments, investment managers, asset allocation, potential investment opportunities, family investing education, etc.

Because SACM understands that each family is unique, the Firm will customize a solution that addresses a client’s current and future needs. As the client’s ambitions and goals evolve, so does SACM. The Firm coordinates a client’s investment strategy with their long-term generational and philanthropic planning by working hand in hand with the client’s tax and legal advisors. SACM analyzes a client’s needs and objectives, provides comprehensive asset allocation advice, portfolio management, and consolidated reporting in order to serve families from one generation to the next.

SACM has developed a straightforward, transparent and efficient approach to investing that combines the Firm’s core philosophies of Active Asset Allocation and Passive Implementation to build diversified, balanced portfolios. Please see “Methods of Analysis, Investment Strategies and Risk of Loss” for more information on these strategies.

Tailored Advisory Services

SACM customizes portfolios to meet each client's specific risk tolerance, time horizon and investment goals. Clients may place restrictions on the Firm's discretion in writing.

SACM advisers are available by appointment only to discuss your specific circumstances.

Client Assets under Management

At August 31, 2011, SACM had total assets under management of \$108,719,350.00 with 228 accounts. Of this total, \$102,461,760.00 was discretionary and \$6,257,590.00 was non-discretionary assets under management.

Item 5 Fees and Compensation

Annual discretionary service fees are as follows and are deducted from the account:

Cash/Fixed Income Accounts are charged 0.35% on assets under management.

SACM reserves the right to negotiate these fees under certain circumstances.

Blended/Equity Account fees are determined according to the assets under management using the below tiered schedule:

1.00% on assets from \$0 to \$500,000

0.65% on the next \$500,000

0.50% on assets above \$1 Million

Fees apply to the entire "Family" relationship, not per account. The minimum annual fee is \$2,500 per family.

Family members will consist of immediate family members within the family line. Spouses, children (and their spouses) and grandchildren will be deemed "family" for relationship level consolidated pricing. SACM reserves the right to adjust the fee schedule for accounts depending on the size and type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated fee schedule. SACM reserves the right to make changes to its pricing plan with 60 days written notice.

Normally, each non-discretionary account will be charged \$250 per year with a cap of 1.5% on assets under management with the exception of small accounts. These small accounts will have a minimum annual fee of \$100. Non-discretionary accounts are not included in any relationship pricing.

Fees will be charged at the end of each month and will be deducted directly from the client's brokerage account pursuant to a written agreement. Fees are calculated based on the assets under management which includes the value of the account at market close on month-end plus accrued interest.

Consulting fees are charged on a project basis and are paid on a frequency negotiated on a case-by-case basis.

Additional fees

When SACM recommends a mutual fund for a client's account, three separate fees may be charged to the client, either directly or indirectly. The first fee is SACM's investment management fee where the fund is included in the asset base for the quarterly fee calculation. The second is the set of internal fees charged by the investment company for the fund's investment management, marketing, administration and marketing assistance. These internal expenses are disclosed in each fund's prospectus which is provided to each client by the custodian. (This set of fees also applies to any money market fund purchased in the client's account.) The third fee may be a transaction fee which is assessed by the custodian for its service of providing access to a universe of mutual fund families through one account. To avoid such fees a client would be required to open a separate account with each individual mutual fund company instead of using Fidelity, which would also negatively affect SACM's ability to deliver its services efficiently. Not all mutual fund trades enacted by SACM incur this

transaction fee. When recommending mutual funds for client portfolios, SACM only recommends no-load funds.

Additionally, the fees SACM charges are exclusive of all custodial, exchange and transaction costs paid to custodians, brokers or any other third parties. Clients should review all fees charged by SACM, custodians and brokers and others to fully understand the total amount of fees incurred.

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

This section does not apply to SACM. We do not charge performance-based fees or perform side-by-side management. .

Item 7 Types of Clients

SACM provides portfolio management services to the following types of clients:

- Individuals
- Partnerships
- Trusts
- Retirement accounts
- Corporations and other institutions
- Foundations and Donor Advised Funds

Generally, SACM requires a minimum dollar value of assets of \$250,000 under its management in order to initiate an investment advisory relationship. However, SACM has the discretion to waive the account minimum.

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

The client will benefit from the due diligence of SACM's Advisory Committee ("The Committee"), which consists of a diverse group of investors and business leaders who have committed their time, experience and personal capital to develop a thoughtful approach to investing for themselves, their families and the broader community. This committee contains a wide array of educational, investment and industry experience. SACM invites their clients to invest side by side with them and share in the insights of a well-versed and knowledgeable team. The Committee analyzes potential and existing investments based upon fundamental and cyclical data, combining research with underlying financial and economic information in order to make portfolio allocation decisions.

The Client Investment Process



1. Strategic Planning

As your wealth manager, SACM evaluates the client life needs by defining:

Expectations of Income

Tolerance for Risk

Horizon - Time

Income Tax

Constraints

Attitude towards communication

Liquidity

SACM identifies a client's risk tolerance by the following:

- Age
- Income
- Education
- Cash flow needs
- Investment goals and objectives
- Tolerance for volatility

This information is obtained from the client through client meetings and interviews.

2. Determine Asset Allocation

SACM's basis for investing is predicated on diversification through dynamic asset allocation. Strategies are developed and implemented through a suite of diversified model portfolios, spanning from conservative to aggressive investment objectives. These portfolios consist of securities weighted by SACM with oversight from The Committee, which meets monthly to oversee and advise the asset allocation of the model portfolios. SACM uses a model portfolio or will structure a customized portfolio depending on the client's needs and objectives to provide the client with a fully diversified portfolio.

1. SACM analyzes and evaluates your current investment holdings, both liquid and illiquid, to determine your current risk exposures.
2. SACM then creates an optimized solution for your overall asset allocation in order to balance your risk and investment return potential.
3. SACM defines the appropriate levels of diversification among the various asset classes.

3. Implement Portfolio

SACM develops a thoughtful plan to implement the portfolio, taking into consideration:

- Potential tax consequences
- Outside holdings
- Asset location (allocating assets across various entities, such as an IRA)
- When appropriate, we use exchange traded funds (ETFs) due to their low cost, tax efficiency and liquidity.

4. Monitor and Rebalance

Over time, the Firm applies periodic changes to the portfolio as SACM sees opportunity to take advantage of market dislocations. SACM also monitors and rebalances the portfolio to maintain target allocation and risk levels

SACM provides *investment supervisory services* through separate investments in the following:

- Equities
- ETFs
- Bonds
- Mutual funds
- Other instruments

SACM Portfolios

The Partners Flagship Core Strategies Portfolio is the Firm's proprietary asset allocation model and represents the Partners' current views and economic outlook. The Partners Flagship Core Strategies Portfolio invests across the selected investment strategies, and is reviewed and rebalanced on an ongoing basis by the Advisory Investment Committee. In turn, the ideas and concepts of the Partners Flagship Core Strategies Portfolio are incorporated across all the Partners Model Portfolios.

Depending on the client's life goals and risk tolerance, the asset allocation may vary across the risk/return spectrum. As a client's wealth advisor, SACM will adjust and rebalance a client's portfolio as needs and goals change.

The following table shows the portfolios we currently offer to clients. It also includes information regarding the risk tolerance and investment objectives of the portfolio, as well as the composition of the portfolio and for what types of clients the portfolio might be suitable.

Portfolio Name	Risk Tolerance	Investment Objective	Key Consideration	Who is this For?
Enhanced Cash Strategies	Low	Cash Management	The portfolio is comprised 100% of short-term fixed income & cash instruments	This portfolio is appropriate for risk averse investors, who may have short or long-term cash needs
Diversified Income Strategies	Low	Fixed Income Management	The portfolio is a 100% fixed income, composed of both investment grade and high yield debt	This portfolio is appropriate for cautious investors that need income, and do not want any equity exposure
Stable Growth Strategies	Moderate	Balanced	The portfolio is a balanced portfolio designed to achieve growth with a moderate risk of loss	This portfolio is best for investors who are somewhat cautious. Investors should have a medium investment horizon.
Partners Flagship Core Strategies	Moderate to High	Growth	The portfolio is more focused on long-term growth than income, and will experience more market volatility	Investors with a medium to long investment horizon
Wealth Accumulation Strategies	High	Long Term Growth	Portfolios may experience losses in the portfolio over several years, in order to generate long term growth	Investors with a long-term investment horizon and the ability to withstand periods of high volatility and potential losses

SACM also provides *investment consulting services* related to the following:

- Asset allocation
- Portfolio diversification
- Alternative assets

- Other general economic and financial topics

SACM does not guarantee the future performance of the account or any specific level of performance, the success of any investment decision or strategy that the Firm may use, or the success of the Firm's overall management of the account. The client understands that investment decisions made for the client's account by the Firm are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. The client understands that investing in any security entails risk of loss.

Item 9 Disciplinary Information

There have been no disciplinary actions against SACM or any of its personnel.

Item 10 Other Financial Industry Activities and Affiliations

San Antonio Capital & Trust Holdings, LLC wholly owns San Antonio Capital & Trust Company, LLC which wholly owns San Antonio Capital Management, LLC. San Antonio Capital & Trust Company and SACM may refer clients to one another.

SACM clients have invested in Class A and Class B stock in SACT Holdings, LLC. The Class A shares investment is used as operating capital for SACM, and the Class B shares are then further invested into public securities, which SACM manages under its standard investment management fee schedule. There is a conflict of interest in that SACM manages and charges for the management of the clients' investments in SACT Holdings, LLC, its ultimate parent entity.

SACM is the General Partner and Manager for SACM Biotech Ventures, LLC, a company which was formed for the specific purpose of acquiring limited partnership interests in InCube Ventures II, L.P., a Delaware limited partnership. The Manager (SACM), its principals and their affiliates and family members reserve the right to purchase ownership interests in this entity. The Chairman of SACM is a limited partner in SACM Biotech Ventures, LLC and has committed capital to it.

At this time SACM does not hold an ownership interest in SACM Biotech Ventures, LLC; however, SACM does receive compensation for the management services it provides. Once all members are made whole, SACM will receive a 2.5% profits interest in any gain above the capital committed SACM also received a 1% upfront closing fee on committed capital. The Firm is also related to the Bank of San Antonio through common ownership. A third related entity, San Antonio Trust Company, has been established to provide trustee services to current and new SACM clients.

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

Code of Ethics

SACM has adopted a Code of Ethics which describes the general standards of conduct that the Firm expects of all Firm personnel (collectively referred to as “employees”) and focuses on three specific areas where employee conduct has the potential to adversely affect the client:

- Misuse of nonpublic information
- Personal securities trading
- Outside business activities

Failure to uphold the Code of Ethics may result in disciplinary sanctions, including termination with the Firm. Any client or prospective client may request a copy of the Firm’s Code of Ethics which will be provided at no cost.

The following basic principles guide all aspects of the Firm’s business and represent the minimum requirements to which the Firm expects employees to adhere:

- Clients’ interests come before employees’ personal interests and before the Firm’s interests.
- The Firm must fully disclose all material facts about conflicts of interest of which it is aware between itself and clients as well as between Firm employees and clients.
- Employees must operate on the Firm’s behalf and on their own behalf consistently with the Firm’s disclosures and to manage the impacts of those conflicts.
- The Firm and its employees must not take inappropriate advantage of their positions of trust with or responsibility to clients.
- The Firm and its employees must always comply with all applicable securities laws.

Misuse of Nonpublic Information

The Code of Ethics contains a policy against the use of nonpublic information in conducting business for the Firm. Employees may not convey nonpublic information nor depend upon it in placing personal or client securities trades.

Personal Securities Trading

SACM permits its access persons to engage, on a limited basis, in personal securities transactions. As stated in the “Methods of Analysis, Investment Strategies and Risk of Loss” section, clients invest side by side with members of The Committee. Employee trades should be executed in a manner consistent with the Firm’s fiduciary obligations to clients: trades should avoid actual improprieties, as well as the appearance of impropriety. Employee trades

must not be timed to precede orders placed for any client, nor should trading activity be so excessive as to conflict with the employee's ability to fulfill daily job responsibilities.

SACM requires employees to:

- Pre-clear certain personal securities transactions.
- Report personal securities transactions on at least a quarterly basis.
- Provide SACM with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

These are reviewed as required by the Chief Compliance Officer for compliance with the Code of Ethics.

Outside Business Activities

Employees are required to report any outside business activities generating revenue. If any are deemed to be in conflict with clients, such conflicts will be fully disclosed or the employee will be directed to cease such activity.

Item 12 Brokerage Practices

SACM suggests that its investment management clients select brokerage services offered by Fidelity Institutional Wealth Services ("Fidelity"), which sends clients complete custodial statements on a monthly basis and also provides web access to client accounts.

In making its decisions regarding selecting a custodian which may also act as broker/dealer for clients, SACM seeks to obtain best trade execution, taking into account the following factors:

- The ability to effect prompt and reliable executions at favorable prices.
- The operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution.
- The financial strength, integrity and stability of the broker-dealer.
- The quality, comprehensiveness and frequency of available research services considered to be of value to SACM and its clients.
- The value of brokerage services over and above trade execution provided to SACM and its clients.
- The competitiveness of commission rates in comparison with other broker-dealers satisfying SACM's other selection criteria.

Although SACM generally seeks competitive commission rates and commission equivalents, it will not necessarily pay the lowest commission or equivalent, particularly since SACM enacts all

of its trades through Fidelity. Transactions may involve specialized services on the part of a broker-dealer, which may justify higher commissions and equivalents than would be the case for more routine services.

Research and Other Soft-Dollar Benefits

“Soft dollars” is a term applied to commission revenue generated by client trades which is then used to pay for services provided to an investment advisor. These services must apply to benefit clients and include research and other related services as defined by the Securities and Exchange Act of 1934.

The availability of these soft-dollar benefits will create a conflict of interest and will influence SACM to select one broker rather than another to execute trades for the client’s account. As such, Fidelity provides 1) a portfolio management and reporting program and 2) a financial planning program to SACM at a significant discount. Nevertheless, SACM intends to use its best efforts to ensure that the fees and costs for services provided by such brokers are reasonable. Additionally, Fidelity provides SACM with access to its own research and research of third parties at little or no cost.

SACM’s relationships with brokerage firms that provide soft-dollar services to SACM may influence SACM’s judgment in allocating brokerage business and create conflicts of interest, both in allocating brokerage business between firms that provide soft-dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. These conflicts of interest are particularly influential to the extent that SACM uses soft dollars to pay expenses it would otherwise be required to pay itself.

Additional benefits may be provided to SACM which are not paid for with soft dollars. These services might assist SACM with its administration of client accounts, and thus slightly help its profitability.

In certain instances SACM may execute over-the-counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market makers mark-up or mark-down.

Brokerage for Client Referrals

SACM does not receive any compensation or incentive for referring you to broker-dealers for brokerage trades.

Directed Brokerage

SACM does not currently accept directed brokerage accounts at this time.

Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from

subsequent orders. All clients participating in each aggregated order shall receive the average price and, if applicable, pay a pro-rata portion of commissions. Accounts which are beneficially owned by SACM or its employees or access persons may participate in aggregated orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs or a more advantageous net price.

Item 13 Review of Accounts

Generally, client accounts are reviewed on a regular basis by Whitney Solcher, the Portfolio Manager. In addition, accounts are reviewed after the monthly Advisory Committee meetings to implement changes in asset allocations.

Clients receive statements at least quarterly directly from the account custodian. In addition, discretionary clients receive performance reports from SACM after the first full quarter of the relationship.

Item 14 Client Referrals and Other Compensation

SACM and any of its affiliates have relationships where an administrative fee is paid to one another for introduction or referral of clients. Clients referred by an affiliate to SACM pay the same fee to SACM as if the client were to come to SACM directly.

Item 15 Custody

Because SACM generally has the authority to instruct the account custodian to deduct the investment management fee directly from the client's account, SACM is considered to have "custody" of client assets. Custody is defined as having any access to client funds or securities. This limited access is monitored by the client through receipt of account statements directly from the custodian. These statements all show the deduction of the management fee from the account. Otherwise, SACM may only direct the movement of funds from one account in the client's name to another such titled account, but has no other access to funds.

The assets in client account(s) are held by Fidelity. Clients may at any time add assets to or remove assets from the account. SACM primarily uses one custodian and each client must sign a separate agreement with the custodian.

When clients receive their account statements from the qualified custodian, they should carefully review those statements and take the time to compare them with those they receive from SACM. If the client finds significant discrepancies, the custodian and SACM should be notified.

Item 16 Investment Discretion

For discretionary accounts, the Firm has full trading authority under a limited power of attorney assigned to SACM. The Firm is authorized to make the following determinations in accordance with client objectives and restrictions without obtaining prior consent from the client:

- Which securities or instruments to buy or sell

- The total amount of securities or instruments to buy or sell
- The executing broker-dealer for any transaction
- The commission rates or commission equivalents charged for transactions.

Nondiscretionary accounts are managed for clients not willing or unable to provide limited power of attorney to SACM.

Item 17 Voting Client Securities

Clients receive proxy material directly from their account custodian by either email or U.S. mail. SACM will not vote (by proxy or otherwise) in any matter for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in the client's account. SACM is available to answer questions if a client should have concerns regarding any particular proxy matter.

Item 18 Financial Information

SACM is required to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that would impair our ability to meet any contractual and fiduciary commitments to you, our client. We have not been the subject of any bankruptcy proceedings.