

## **SOLUTIONS PROGRAM**

Sponsored  
by

**MARTIN FINANCIAL GROUP LLC**

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Suite C-2  
New Albany, Indiana 47150  
(812) 542-1018

This brochure provides clients with information about Martin Financial Group, LLC and the Solutions Program that should be considered before becoming a client of Martin Financial Group, LLC. This information has not been approved or verified by any governmental authority.

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## ***ABOUT THE PROGRAM***

### **OVERVIEW**

The Solutions Program (the “Program”) is a fee-only investment advisory program (the “Program”) with three distinct levels of service sponsored by Martin Financial Group, LLC (“MFG”). Each level of the Program provides individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and business entities the ability to trade in individual debt and equity securities, mutual funds, index funds, exchange-traded funds, options, unit investment trusts, certificates of deposits and other eligible securities (collectively “Eligible Securities”) without incurring separate brokerage commissions or transaction charges. The Program is divided into the following three service level offerings:

#### ***Solutions Choice***

For clients with investment assets up to \$500,000 typically, MFG offers clients access to a suite of mutual funds, exchange traded funds, unit investment trusts and certificates of deposit. Utilizing these investment vehicles MFG will manage different components of a client’s targeted asset allocation based upon the client’s financial circumstances, goals and investment objectives.

In the *Solutions Choice Program*, MFG carefully screens the Eligible Securities and any managers thereof to ensure that they all meet certain due diligence criteria established by MFG. MFG may hire sub-managers to manage different components of the clients’ asset allocation. Clients are required to grant MFG discretionary authority to make hiring and termination decisions with respect to any sub-managers or Eligible Securities offered through the *Solutions Choice Program*.

#### ***Solutions Diversified Multi-Strategy Portfolio***

For clients with investment assets from \$250,000 and up to \$5,000,000, MFG offers clients individual equity and debt securities plus a suite of mutual funds, exchange traded funds and unit investment trusts. Utilizing these investment vehicles MFG will manage different components of a client’s targeted asset allocation based upon the client’s financial circumstances, goals and investment objectives. The portfolio is managed utilizing both domestic and international individual equity and debt securities. The individual equity and debt security portfolio is supplemented with mutual funds, ETF’s and UIT’s at the discretion of the program manager to provide diversification to meet the client’s goals and objectives.

In the *Solutions Diversified Multi-Strategy Portfolio Program* MFG carefully screens the Eligible Securities and any managers thereof to ensure that they all meet certain due diligence criteria established by MFG. The individual equity and debt security selections are the result of rigorous research by the program sponsor.

MFG may hire sub-managers to manage different components of the clients’ asset allocation. Clients are required to grant MFG discretionary authority to make hiring and termination decisions with respect to any sub-managers or Eligible Securities offered through the *Solutions Diversified Multi-Strategy Program*.

#### ***Solutions Asset Consulting Service Program***

For clients with assets in excess of \$1,000,000 MFG will assist clients in choosing an appropriate

program based on the client's individual goals and investment objectives.

In the *Solutions Asset Consulting Services Program* ("SACS"), MFG provides clients with assistance in selecting one or more investment management firms to manage their accounts. The minimum account size is established by the individual investment manager. In SACS, the client typically enters into an investment advisory contract directly with the investment manager. Many investment management firms available through SACS are otherwise available only to clients with significantly greater assets to invest.

In SACS, MFG analyzes a client's investment objectives and recommends one or more investment management firms in light of those objectives. Recommended managers are independent of MFG. MFG does not exercise discretion for SACS clients with respect to the retention of an investment manager; instead, MFG makes recommendations, which the client may or may not follow. The client enters into an agreement with MFG relating to its services and also into a separate investment advisory agreement with the investment manager. The manager is responsible for the implementation of any restrictions placed by the client on the account. In addition to providing consulting and evaluation services regarding the client's use of investment managers, MFG may perform performance reporting on the investment managers retained by the client.

Investment manager(s) recommended in SACS are evaluated through opinion and/or research accessed by MFG, which is periodically reviewed.

In SACS changes in a client's objectives are communicated by MFG to the managers retained by the client. Because SACS clients have independent contractual relationships with their investment management firms, MFG cannot terminate a manager or reduce the assets allocated to it in light of MFG's review efforts. However, if those efforts indicate that doing so is in a client's best interests, MFG may recommend that the client take such action.

Given the differences in the ways in which a particular clients' individual circumstances are identified and in which those circumstances are interpreted by different MFG investment advisors, different clients having the same or closely related personal circumstances and risk profiles in the same Program service offering may receive the same or somewhat different asset allocation recommendations and, as a result, different investment advisor recommendations.

### **JOINING THE PROGRAM**

To join the Program a person must:

- (1) Complete an investor profile that describes the Client's financial needs, investment objectives, time horizon, and risk tolerance, as well as any other factors relevant to the Client's specific financial situation (the "Investor Profile") and any other supporting documentation required for the Program;
- (2) Complete the investment advisory wrap fee agreement (the "Program Agreement") with MFG and become a client ("Client") of the Program;

- (3) Complete a new account agreement with Charles Schwab & Co. or another broker dealer approved by MFG for participation in the Program (“Broker-Dealer”); and
- (4) Open a securities brokerage account with the Broker-Dealer (“Account”) and deposit those Client assets designated for participation in the Program (“Program Assets”) into the Account.

MFG does not require any minimum Account size or impose any fee to participate in the Program; however certain service levels of the Program may be restricted to certain account sizes as described in the Overview section above. Furthermore, MFG may, in its sole discretion, accept Clients into certain service levels of the Program with smaller Accounts based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, portfolio composition, related accounts, and pre-existing relationships. MFG shall only accept Clients into the Program with less than the minimum Account if MFG believes the smaller Account size will not cause a substantial increase of investment risk beyond the Client’s stated risk tolerance. MFG may aggregate the portfolios of family members to meet the minimum Account size.

#### **CLEARING OF SECURITIES TRANSACTIONS; CUSTODY AND ACCOUNT STATEMENTS**

All transactions in the Account are cleared through the Broker-Dealer. Either the Broker-Dealer or a custodian meeting the requirements of a “qualified custodian” as defined under Rule 206(4)-2 of the Investment Advisers Act of 1940, as amended, will maintain custody of the Participant’s Program Assets. Program Participant’s will receive confirmations of transactions executed for their Account from the Broker-Dealer as well as periodic account statements as agreed with the Broker-Dealer and/or Custodian.

#### **INVESTMENT ADVISORY PROCESS**

After an analysis of the information provided by the Client in the Investor Profile, MFG shall assist the Client in developing an appropriate investment strategy for the assets in their Account (the “Investment Strategy”). Thereafter, Clients will be contacted periodically and requested to provide MFG with information regarding changes to their financial situation or investment objectives impacting their Investor Profile. MFG shall periodically reassess the current Investment Strategy based on any other information provided by the Client regarding their Investor Profile.

All Clients are encouraged to contact or meet, at least annually, with MFG to comprehensively review their Account performance, update their Investor Profile, and determine whether changes should be made to their Investment Strategy. There are no restrictions on Clients to contact or consult with MFG regarding the Program or their Account. Clients may contact Independent Managers (as defined and discussed below) through MFG by providing MFG with written request and identification of the questions or issues to be discussed with the Independent Manager. After receiving the Client’s written request MFG shall, at its sole discretion, contact the Independent Manager for the Client or arrange for the Independent Manager and the Client to communicate directly.

#### **FEES FOR THE PROGRAM**

Clients in the Program pay a single annualized fee for participation at a particular service level in the Program (the “Program Fee”) based upon a percentage (%) of the market value of the assets being managed under a particular Investment Strategy as follows:

Solutions Choice	
Asset Value	Annual Fee
First \$50,000	1.50%
Next \$200,000	1.25%
Next \$750,000	1.00%
Next \$1,000,000	0.85%
Next \$3,000,000	0.50%
Next \$5,000,000	0.35%
Over \$10,000,000	0.25%

Diversified Multi-Strategy Portfolios					
Equity Securities		Debt Securities		Mutual Funds & ETF	
Asset Value	Annual Fee	Asset Value	Annual Fee	Asset Value	Annual Fee
First \$250,000	2.50%	First \$250,000	1.10%	First \$250,000	1.25%
Next \$250,000	2.00%	Next \$250,000	1.00%	Next \$250,000	1.10%
Next \$500,000	1.85%	Next \$500,000	0.90%	Next \$500,000	1.00%
Next \$1,000,000	1.50%	Next \$1,000,000	0.80%	Next \$1,000,000	0.85%
Next \$3,000,000	1.35%	Next \$3,000,000	0.70%	Next \$3,000,000	0.50%
Next \$5,000,000	1.25%	Next \$5,000,000	0.60%	Next \$5,000,000	0.35%
Next \$10,000,000	1.00%	Next \$10,000,000	0.50%	Next \$10,000,000	0.25%

Asset Consulting Service Program					
Equity Securities		Debt Securities		Alternative Investments	
Asset Value	Annual Fee	Asset Value	Annual Fee	Asset Value	Annual Fee
First \$250,000	1.50%	First \$250,000	1.10%	First \$250,000	1.50%
Next \$250,000	1.00%	Next \$250,000	1.00%	Next \$250,000	1.50%
Next \$500,000	0.85%	Next \$500,000	0.90%	Next \$500,000	1.50%
Next \$1,000,000	0.50%	Next \$1,000,000	0.80%	Next \$1,000,000	1.50%
Next \$3,000,000	0.35%	Next \$3,000,000	0.70%	Next \$3,000,000	1.50%
Next \$5,000,000	0.25%	Next \$5,000,000	0.60%	Next \$5,000,000	1.50%
Next \$10,000,000	0.20%	Next \$10,000,000	0.50%	Next \$10,000,000	1.50%

The Program Fee is payable quarterly, in advance, based upon the market value of the assets in the Account as valued by the Custodian on the last day of the previous quarter. MFG in its sole discretion, may charge a lesser Program Fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, *pro bono* purposes, etc.).

Additional deposits and withdrawals of funds and/or securities to the Program may be made to the Account at any time. Program Fees are calculated *pro rata* for partial billing periods based upon the value of the assets in the Account and the number of days in the calendar quarter. MFG reserves the right to terminate participation in a particular service level of the Program if the Client's Account falls below a service level Account threshold. If the Program is terminated, the Program Fee will be assessed *pro rata* and refunded to the Client in a timely manner. If additional assets are deposited into the Account after the inception of a quarter that exceed \$50,000, the Program Fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Participants may

withdraw assets from their Account at any time, subject to the usual and customary securities settlement procedures. For partial withdrawals in excess of \$50,000 within a billing period, MFG shall credit its unearned Program Fee towards the next quarter's fee.

MFG's Program Agreement and Client's agreement with the Custodian may authorize the Custodian to deduct the Program Fee from the Client's Account and remit it directly to MFG. In arrangements where the Program Fee is deducted directly from the Client's Account, MFG will instruct the Custodian to send the Participant a statement, at least quarterly, indicating all amounts disbursed from their Account, including the amount of the Program Fee paid directly to MFG.

Certain Independent Managers may impose more restrictive requirements and varying billing practices than MFG. In such instances, MFG may alter its corresponding requirements and/or billing practices to accommodate those of the Independent Managers.

### **FEE COMPARISON**

Under the Program, Clients receive both investment advisory services and the execution of transactions in Eligible Securities for a single, combined annualized fee, the Program Fee. Participation in the Program may cost the Client more or less than purchasing such services separately. The number of transactions made in the Client's Account, as well as the commissions charged for each transaction, will determine the relative cost of the Program versus paying for execution on a per transaction basis and paying a separate fee for advisory services. The Program Fee may be higher or lower than fees charged by other sponsors of comparable investment advisory programs.

### **OTHER CHARGES**

Program participants may incur certain charges imposed by third parties in addition to the Program Fee. Such charges include but are not limited to fees charged by Independent Managers and charges imposed directly by a mutual fund purchased in the Client's Account which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), certain deferred sales charges on previously-purchased mutual funds, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Because MFG will be paying to the Custodian, Charles Schwab & Co., Inc., the transaction and execution costs of securities transactions a potential conflict of interest may arise creating a disincentive for MFG to trade securities in client accounts.

## ***ABOUT THE PORTFOLIO MANAGER***

### **MANAGEMENT OF YOUR PORTFOLIO**

All Clients in the Program shall grant MFG discretionary authority to buy, sell, and otherwise trade Eligible Securities for their Account and to liquidate previously-purchased securities that the Client has transferred to their Account. Assets in the Client's Account designated for a particular Investment Strategy (each a "Portfolio") shall be managed by one of MFG's investment professionals appointed by the Solutions Program in accordance with the Client's Investment Strategy.

The Solutions Program may recommend that Program Clients authorize the active discretionary management of a particular Portfolio or Portfolios in the Program by and/or among one or more

independent investment managers (hereafter “Independent Managers”) to implement a particular Investment Strategy. The Solutions Program shall continue to render advisory services to the Client regarding their current Investment Strategy, the ongoing suitability and performance of each Independent Manager, and the quarterly monitoring and review of the overall performance of the Account.

Factors that the Solutions Program shall consider in recommending an Independent Manager include the Client’s Investment Strategy and the particular Independent Manager’s management style, historical performance, management fees, criteria for accepting new accounts, industry reputation, financial strength, and reporting and research services.

The terms and conditions for engaging Independent Managers are set forth in separate written agreements with the particular Independent Manager. The investment management fees charged by the Independent Managers are separate from and in addition to the Program Fee. When a Client agrees to engage an Independent Manager through the Program, the Solutions Program shall assist the Client by coordinating the engagement of the Independent Manager on the Client’s behalf and providing the Client with a copy of the Independent Manager’s written disclosure statement on Part II of Form ADV.

#### **REPORTS FROM THE SOLUTIONS PROGRAM**

Clients in the Program will receive a report from the Solutions Program that may include such relevant Portfolio and/or market-related information such as an inventory of the investments in the Client’s Portfolios and Portfolio performance as may be requested by the participant and agreed to by MFG.

#### **ABOUT THE SPONSOR**

#### **MANAGEMENT AND EDUCATION STANDARDS**

MFG’s executive management and all individuals that render investment advisory services on behalf of MFG must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations. The following individuals are MFG’s principal executive officers and determine the general investment advice given to Program participants:

**GEORGE WESLEY MARTIN III, CFP®**

Born 1953

*Post-Secondary Education:*

University of Kentucky, 1976, B.S., Mining Management

Certified Retirement Income Specialist, University of Pennsylvania, Wharton School of Business

Chartered Financial Consultant, American College 1996

Accredited Estate Planner

*Recent Business Background:*

Martin Financial Group, LLC, Managing Member, 01/2001 – Present

Pruco Securities LLC, Registered Representative, 05/1990 – 02/2009

**RYAN NEAL EATHERLY**



Born 1980

*Post-Secondary Education:*

University of Louisville, 2004, B.S., Economics

*Recent Business Background:*

Martin Financial Group, LLC, Agent, 02/2004 – Present

Pruco Securities LLC, Registered Representative, 05/2005 – 02/2009

**OTHER SERVICES OFFERED**

MFG also provides financial planning, non-discretionary investment advisory, and discretionary investment management services to its Clients outside of this Program. Fees for such other services may be based upon hourly fees, fixed fees and fees based on assets under management that do not include transaction fees, commissions, and other costs, which are incurred separately. The terms and conditions for these other services are set forth in Part 2A of MFG's Form ADV, which is available from MFG upon request.

**VOTING CLIENT PROXIES**

MFG may agree to vote proxies on behalf of certain Clients in the Program. When MFG accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its Clients. Absent special circumstances, which are fully-described in MFG's Proxy Voting Policies and Procedures ("Proxy Voting Policy"), all proxies will be voted consistent with the guidelines established and described in MFG's Proxy Voting Policy, as they may be amended from time-to-time ("Proxy Voting Guidelines"). At any time, Clients may contact MFG to request information about how they voted proxies for that Client's securities or to get a copy of the MFG's Proxy Voting Policy.

A brief summary of MFG's Proxy Voting Policy is as follows:

- MFG has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of Clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to MFG's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are to be followed as a general policy, certain issues will be considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, MFG shall devote an appropriate amount of time and resources to monitor these changes.
- In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that MFG maintains with persons having an interest in the outcome of certain votes, MFG will take appropriate steps to ensure that its proxy voting decisions are made in the best interest of its Clients and are not the product of such conflict.

Proxies for securities in Portfolios managed by Independent Managers shall be voted by the Independent

Manager unless the Client and the Independent Manager agree otherwise.

### **ADDITIONAL POLICIES AND PROCEDURES**

MFG maintains and enforces written policies reasonably designed to: (i) prevent the misuse of material nonpublic information by MFG or any person associated with MFG and (ii) monitor the personal securities transactions of its associated persons to prevent any potential material conflicts of interest between MFG, any person associated with MFG, and any of its Clients, including Program Clients.

### **CONFLICTS OF INTEREST**

In exchange for utilizing a particular Broker-Dealer to execute securities transactions for Clients in the Program, MFG may receive research and computer software and related systems support from the Broker-Dealer without cost, which assist MFG in its investment decision-making process and allows MFG to better monitor the Client's Account. Such research, computer software, and related systems support may or may not be used in conjunction with managing Portfolios for a particular Client's Account; therefore, fees paid by a particular Program Client may be used for the benefit of other Clients in the Program.

### **CODE OF ETHICS**

MFG has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("Code of Ethics"). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by MFG or any of its associated persons. The Code of Ethics also requires that certain of MFG's personnel (called "Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Clients may contact MFG to request a copy of its Code of Ethics.

Unless specifically permitted in MFG's Code of Ethics, none of MFG's Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of MFG's Clients.

When MFG is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when MFG is selling or considering the sale of any security on behalf of a Client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

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