

Martin & Company Investment Counsel

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This Brochure provides information about the qualifications and business practices of Martin & Company. If you have any questions about the contents of this Brochure, please contact us at (865) 541-4747. 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.

Martin & Company is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Martin & Company also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated March 31, 2014, is the original Brochure describing Martin & Company’s investment strategies in accounts that exclusively use exchange traded funds (“ETFs”) as the investment vehicles for portfolio construction.

Pursuant to 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. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Julie Mohny, Executive Assistant, at (865) 541-4747 or jmohny@martin-co.com and will be provided free of charge.

Additional information about Martin & Company is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Martin & Company who are registered, or are required to be registered, as investment adviser representatives of Martin & Company.

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Item 4 – Advisory Business

Martin & Company was founded in 1989 by A. David Martin. Beginning January 1, 1998, Martin & Company became a wholly-owned subsidiary of First Horizon National Corporation, a publicly held financial holding company.

Martin & Company provides investment supervisory services on a discretionary basis to pension and profit sharing plans, endowments, foundations, educational institutions, corporations, financial institutions, governmental agencies and individuals. Investments are specifically chosen to meet each client's particular needs (such as risk aversion, tax considerations and overall investment goals) and include, among others, ETFs comprised of corporate and government bonds, tax-exempt bonds, common stock and other equity securities, including ETFs representing various international markets. Clients may impose restrictions on investing in certain securities or types of securities. Client communication is frequent and a statement of assets under management will be furnished on a quarterly basis.

As of December 31, 2013, Martin & Company managed a total of \$1,980,988,842 in client assets, including \$122,337,037 in ETFs. All assets were managed on a discretionary basis.

Item 5 – Fees and Compensation – ETF Strategy

Fees are billed and payable at the end of each calendar quarter based on the then current value of the account assets. Fees may be negotiable, depending on the particular requirements and circumstances of an account. A client may choose whether to have fees deducted from their account or receive an invoice for fees. Advisory contracts are subject to cancellation by either party upon 30 days prior written notice, with fees prorated through the date of cancellation.

The annual fee schedule for investment supervisory services, by account type, is as follows:

Assets in Account	Enhanced Diversification ETF Equity Accounts	Balanced ETF Accounts	Fixed Income ETF Accounts
First \$1 Million	1.00%	1.00%	0.50%
Next \$4 Million	0.75%	0.75%	0.50%
Next \$5 Million	0.50%	0.50%	0.25%
Over \$10 Million	0.25%	0.25%	0.25%
MINIMUM ANNUAL FEE IS \$5,000			

Martin & Company's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Martin & Company's fee, and Martin & Company shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Martin & Company considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Martin & Company does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

Martin & Company provides investment supervisory services to pension and profit sharing plans, endowments, foundations, educational institutions, corporations, financial institutions, governmental agencies and individuals. There is no minimum size for new accounts. There is a minimum annual fee of \$5,000, although this minimum is subject to negotiation.

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

PRINCIPAL INVESTMENT STRATEGIES

Martin & Company offers discretionary investment strategies for equity, fixed income and balanced accounts. The investment vehicles employed in these strategies are exchange traded funds.

The equity strategy for ETF Accounts is the Enhanced Diversification ETF Strategy (primarily invested in a diversified portfolio of ETFs comprised of U.S. equity securities that represent the broad U.S. equity markets and ETFs that represent the international equity markets). Using proprietary valuation models, allocations are made to exchange traded funds that represent broad market segments in the U.S. and international equity markets. Portfolio turnover is relatively low, with various ETFs being candidates for sale as the price reaches the valuation determined in the proprietary valuation model.

The fixed income strategy for ETF Accounts is the Fixed Income ETF Strategy (primarily invested in a diversified portfolio of ETFs comprised of U.S. corporate fixed income securities, municipal/tax free fixed income securities, treasury and agency securities.) Portfolios will tend to be focused on high quality, investment grade fixed income securities with an intermediate maturity range. Investments may also be made in ETFs comprised of fixed income securities representing lower than investment grade fixed income markets and/or international fixed income markets.

The strategy for Balanced ETF Accounts includes a mixture of the above equity and fixed income strategies. Appropriate allocation between the asset classes is determined by client objective and risk tolerance.

PRINCIPAL RISKS OF INVESTING

You could lose money by investing in the above investment strategies and the strategies could underperform other investments. You should expect your total return to fluctuate within a wide range. Your investment performance could be hurt by:

Issuer/Credit Risk: ETFs held may decline in value because of changes in the financial condition of, or other events affecting, the issuers of securities held in the ETF. Investment in municipal or corporate fixed income securities is particularly subject to this type of risk.

Management Risk: Martin & Company's opinion about the intrinsic worth of an ETF or the companies or securities held in the ETF may be incorrect; Martin & Company may not make timely purchases or sales of ETFs; and the investment objective may not be achieved.

Equity Risk: ETFs investing in equity securities generally have greater price volatility than ETFs investing in fixed income securities. Investment in ETFs invested in small-capitalization companies are particularly subject to this type of risk.

Market Risk: Equity prices may decline over short or extended periods due to general market conditions.

Liquidity Risk: Martin & Company may not be able to sell an ETF in a timely manner or at desired prices.

Non-U.S. Issuer Risk: ETFs invested in foreign securities may decline in value because of political, economic, or market instability; the absence of accurate information about foreign companies; risks of internal and external conflicts; or unfavorable government actions,

including expropriation and nationalization. ETFs invested in non-U.S. securities are sometimes less liquid, more volatile, and harder to value than ETFs invested in securities of U.S. issuers. Lack of uniform accounting, auditing, and financial reporting standards, with less governmental regulation and oversight than U.S. companies, may increase risk. Some countries also may have different legal systems that may make it difficult to vote proxies, exercise shareholder rights, and pursue legal remedies with respect to investments. These risks may be higher when investing in emerging markets companies. Certain of these risks may also apply to securities of U.S. companies with significant foreign operations.

Investment in the above strategies is not a deposit of a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Investing in securities involves risk of loss that clients should be prepared to bear.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the adviser and its investment staff or the integrity of the adviser's management. Martin & Company has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Martin & Company and its employees have no affiliations with any related parties that are material to its advisory business or to its clients.

Item 11 – Code of Ethics

Martin & Company does not purchase or sell, for itself, securities that are recommended to clients. Any such transactions by its individual officers or employees are subject to Martin & Company's Code of Ethics which is based on general fiduciary principles, including that, at all times, the interests of clients will take precedence over personal interests. This Code applies specifically to the purchase and sale of stock or other securities that are owned, purchased or sold by the advisory accounts of clients of Martin & Company.

Subject to satisfying this Code and applicable laws, officers, directors and employees of Martin & Company and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Martin & Company's clients. The Code is

designed to assure that the personal securities transactions, activities and interests of the employees of Martin & Company will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Martin & Company's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, to reasonably prevent conflicts of interest between Martin & Company and its clients.

Martin & Company's clients or prospective clients may request, without charge, a copy of the firm's Code of Ethics by contacting William E. Woodson, Jr. at (865) 541-4747 or by email at bwoodson@martin-co.com.

It is Martin & Company's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Martin & Company will also not cross trade between client accounts. (Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.)

Item 12 – Brokerage Practices

The securities of Martin & Company's parent corporation, First Horizon National Corporation, are not eligible for purchase in client accounts. No recommendations to buy First Horizon National Corporation securities are made. However, ETFs may include investment in First Horizon National Corporation. Clients which hold First Horizon National Corporation's securities in their portfolios are charged fees for management of such securities.

Many of Martin & Company's clients have established relationships with particular brokers or brokerage firms when they have become advisory clients. Clients may use the investment consulting services of brokers and brokerage firms for the purpose of manager evaluation, asset allocation advice, establishment of objectives and risk parameters, performance monitoring, participation in account review meetings and other related

services. In addition, the brokerage firm may also provide custody of client assets. In these circumstances, the negotiation of brokerage fees is typically a matter of negotiation between the client and its broker. The execution costs on such client directed accounts may be higher than would be the case absent client direction.

If a client chooses to direct its brokerage to a broker other than brokers through which Martin & Company executes orders for its other clients, the client would forego any benefit from savings on execution costs that Martin & Company could obtain for its other clients through, for example, negotiating volume discounts on batched orders. In addition, certain fixed income securities which Martin & Company may purchase on behalf of its other clients may be unavailable for purchase through the directed broker. Upon the request of a client, Martin & Company will negotiate with brokers used by client directed accounts.

If a client or prospective client has no established relationship with a broker, Martin & Company may, at the request of the client, recommend a broker to act as custodian of the client's account assets and negotiate a level of brokerage fees based on the services rendered to the client. In some cases, Martin & Company may recommend a broker through whom Martin & Company may receive client referrals. In these cases, Martin & Company may have a financial incentive in making the recommendation based on an interest in receiving future referrals rather than a client's interest in receiving the most favorable execution.

In the absence of directions from clients, Martin & Company endeavors to obtain the best overall execution for each client in each trade. In addition to the level of commissions, factors considered include, among others, the actual handling of the order by the broker, the ability of the broker to settle the trade promptly and accurately, the financial standing of the broker, the ability of the broker dealer to position stock to facilitate execution, and other factors that may be unique to a particular broker.

While a lower "per share" commission might be available for any given trade, Martin & Company believes that all relevant factors must be considered, rather than just the level of the per share commission. In certain cases, brokerage commissions may also vary with the size of the transaction executed on behalf of particular accounts.

If the foregoing criteria for best execution are met, then a broker's provision of useful research services is viewed as a "plus" factor. Brokers provide research services in the form of research reports on economic trends, industries and individual securities. These research services may be both proprietary to the brokerage firm or they may be provided by third-parties. Martin & Company may pay a broker who provides research services commissions that are higher than another broker might have charged, but that ordinarily will not be higher than the generally prevailing rates, if Martin & Company determines in good faith that the commissions are reasonable in relation to the research services provided. Receiving these research services could be financially beneficial to Martin & Company because Martin & Company might otherwise have to pay for the research services with its own resources. Therefore, Martin & Company may have a financial incentive to

select a broker providing research services that is in conflict with its clients' interest in receiving the most favorable execution. Any research services provided typically benefit several accounts, rather than only the account for which the order is being executed. Martin & Company does not attempt to allocate proportionately the benefit of research services to the clients who are paying for the research through commissions charged for execution of their trades.

In the absence of directions from clients, Martin & Company may seek to obtain more favorable commission rates through blocking the securities trades of several clients together. In those cases, clients receive the average price of the blocked trade for their respective accounts. However, due to such factors as differing commission schedules and/or minimum ticket fees among clients, the fully priced securities trades may vary between clients. In the unlikely event of a partially filled block trade, securities will be allocated to client accounts on a random, computer generated basis and the unfilled trades will be executed as soon thereafter as is practicable.

When placing securities trades for numerous client accounts, Martin & Company has a policy of doing so in random order. This policy is to ensure that all clients are treated fairly and equitably and that all trades are placed in a fair and systematic manner, avoiding favoring one client over another.

Item 13 – Review of Accounts

Portfolio managers are assigned to each account, having responsibility for continual review of the account and monitoring its consistency with a statement of objectives/guidelines assigned by the client. Assigned account loads, on average, do not exceed 35 clients per portfolio manager. Factors which trigger review include the decision to purchase or sell a particular security, balancing gains and losses for tax purposes, raising or lowering cash reserves, raising cash for distribution, investing new cash contributions, altering asset mixes as market conditions dictate and making needed adjustments to reflect changes in a client's circumstances.

Martin & Company provides written reports to clients on a quarterly basis, or more frequently if so requested by clients. The quarterly reports will include an asset statement, a transaction statement (indicating gains and losses) and an investment commentary. Upon request of a client, other performance summaries will be provided.

Please refer to the comments in Item 15 concerning reports provided to clients by their custodians.

Item 14 – Client Referrals and Other Compensation

In the absence of instructions to the contrary from the client, Martin & Company directs trades through the referring broker. Because the potential for conflict of interest may arise in connection with referrals and directed brokerage practices, Martin & Company believes that the best protection it can offer its clients is its basic commitment to the best interests of its clients and its consideration of the factors described in response to Item 12 above in directing trades to brokers.

Item 15 – Custody

Clients should receive, at least quarterly, statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. Martin & Company urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Martin & Company usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Martin & Company observes the investment policies, limitations and restrictions of the clients for which it advises.

Investment guidelines and restrictions must be provided to Martin & Company in writing.

Item 17 – Voting Client Securities

Martin & Company generally is given the authority to vote proxies on behalf of its clients under the terms of its Investment Management Agreement or pursuant to other specific delegation of this authority.

In voting proxies, Martin & Company will consider those factors that may affect the value of the investment and vote in a manner which we believe is in the client's best interest or, in the case of ERISA accounts, in the best interest of the plan participants and beneficiaries. In addition, Martin & Company will follow any proxy guidelines supplied by the client as long as they are prudent and in the economic best interests of the client. Each quarter, Martin & Company will take reasonable measures to assure itself that it has received all the proxies for which it is responsible to vote and that they have, in fact, been voted. Generally, Martin & Company will vote all proxies for accounts over which Martin & Company has voting authority. However, there may be circumstances where such proxies may not be voted (such as in the case of shares of foreign corporations where the cost to the client of voting proxies outweighs any benefit associated with voting such shares.) Martin & Company will maintain sufficient records with respect to its proxy procedures and proxy voting decisions so clients can monitor Martin & Company's proxy activities.

In the event of a conflict of interest in voting any proxy, the client will be provided a written notice of the conflict. The notice will either request the client's consent to Martin & Company's vote recommendation or will request the client to vote the proxy directly.

To facilitate the proxy voting process, Martin & Company has retained the services of ProxyEdge. The services of ProxyEdge allow Martin & Company to track proxies, vote client proxies, and maintain records of how proxies were voted.

Clients may obtain a copy of Martin & Company's Proxy Guidelines and information on how their shares were voted by contacting William E. Woodson, Jr. at (865) 541-4747 or by email at bwoodson@martin-co.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. Martin & Company has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.