

DISCLOSURE BROCHURE

COVER PAGE
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3
FORM ADV PART 2A

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ITEM 1

This Disclosure Brochure provides information about the qualifications and business practices of Sawgrass Asset Management, LLC, which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about Sawgrass Asset Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

BROCHURE
DATED

31

MARCH 2014

MATERIAL CHANGES

ITEM 2

SEC Rule 204-3(b)(2) allows us to provide you with a summary page of Material Changes in lieu of sending out our entire Disclosure Brochure. If you are being offered this Material Change page as a separate piece from our Disclosure Brochure and you have questions about these summary disclosures or would like a current copy of our Disclosure Brochure to review, you may contact us and a current, complete Disclosure Brochure will be sent free of charge. The only material changes to report since the last annual filing of our Disclosure Brochure dated March 2013 are: 1) expanded descriptions of its methods of analysis; and 2) expanded descriptions of its investment strategies for equity securities.

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BROCHURE SUPPLEMENTS

ADVISORY BUSINESS

Who We Are

Sawgrass Asset Management, LLC (hereinafter referred to as “Sawgrass”, “the Company”, “we”, “us” and “our”), is a 100% employee-owned registered investment advisor¹ that was founded in January of 1998 by a group of investment professionals that formerly comprised the core part of the institutional investment arm of Barnett Capital Advisors.

We feel that being employee-owned plays to our strength by providing institutional clients², with a group of talented investment professionals that have learned to work together to achieve consistent, repeatable investment returns. Being employee-owned there is: **stability** in structure of each asset-class management team; individual **talent retention** that leads to increased team knowledge; **ownership of purpose** that focuses the team in their investment pursuits; and, most of all, a **vested interest in our clients’ long-term success**.

Owners

Since Sawgrass is employee-owned, no single individual has ownership control of more than 50%. The Company is a wholly-owned subsidiary of Sawgrass Asset Management, Inc. (“SAM”) and the following individuals, the core founders, are the majority shareholders who also direct our day-to-day management operations.

Name	Title	CRD#
Dean E. McQuiddy	Shareholder of SAM & Chief Compliance Officer	4373760
Andrew M. Cantor	Shareholder of SAM	4373765
Brian K. Monroe	Shareholder of SAM	2147305

Assets Under Management

As of December 31, 2013, our assets under management totaled:

Client Discretionary Managed Accounts	\$ 3,243,072,873
Client Non-Discretionary Managed Accounts	52,381,743

Our Mission

Our mission is to provide our clientele with the highest level of professional asset management services in a totally objective, prudent and cost-effective manner using a disciplined investment process to achieve the desired investment goal.

¹ The term “registered investment advisor” is not intended to imply that Sawgrass Asset Management, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as a licensed “Investment Advisor” with the United States Securities & Exchange Commission - and “Notice Filed” with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

² A client could also be a high net worth individual and their family members, a family office, a foundation or endowment, a corporation and/or small business, a trust, a guardianship, an estate, another fiduciary or any other type of entity to which we choose to give investment advice.

What We Do

We specialize in active investment management using multiple Investment Products with different risk/reward characteristics. We can tailor portfolios that match a range of risk tolerances and time-frames. We believe that our approach can best:

- ❖ Take advantage of the changing economic environment.
- ❖ Implement the investment strategies best suited to attain the client's investment goals.
- ❖ Reduce the volatility of investment returns based on the client's risk tolerance.
- ❖ Provide liquidity and access to principal in a long-term investment.

For more information on our investment strategies, see Item 8, “**Methods of Analysis, Investment Strategies and Risk of Loss**” below.

Private Investment Fund

In July 2011, Sawgrass Asset Management, LLC completed a private offering of securities through a Private Placement (Rule 501 Reg. D) offering to fund Sawgrass Diversified Income Fund, LLC, a Delaware Limited Liability Company (the “Fund”). The Fund was formed for the purpose of managing a well-diversified portfolio of securities from among various asset classes including debt, equity, and preferred stock with the objective of generating income through dividends and interest payments. Sawgrass will serve as the exclusive Manager responsible for operational oversight and management of the Fund.

Our fiduciary duty binds us to an ethical standard of complete care and loyalty to our clients and to avoid circumstances that might affect, or appear to affect, this standard unless we act transparently and provide full and fair disclosure of any potential conflict. Therefore as part of our good faith efforts, we are disclosing that operating a private investment fund creates potential conflicts of interest relating to:

- ❖ **Economic benefits** Sawgrass can receive for owning and operating the Fund; and,
- ❖ **Custody** situations that can adversely affect the client unless proper safeguards are adopted.

For disclosure of our potential conflicts of interest, see “Private Investment Fund Affiliation” under Item 10, “**Other Financial Industry Activities & Affiliations.**” For information on how operating a private fund creates a custody situation and the safeguards we have adopted to protect clients, see “Pooled Investments” under Item 15, “**Custody.**”

FEES & COMPENSATION

ITEM 5

Investment Products

Matching a client's investment parameters with an investment strategy designed to meet their goals and objectives, risk tolerances and time frames is the focus of our Products. For our Equity products our philosophy is to emphasize growth stocks with a consistent and stable earnings pattern, accelerating earnings estimates and companies with greater earnings potential than the market and their peer group. For our fixed income products, our philosophy incorporates an emphasis on issuers with strong measures of creditworthiness within a well-diversified portfolio. Duration and sector allocation are actively managed within defined ranges

of that of the appropriate benchmark. Managed account(s) may include a combination of the following Investment Products.

Diversified Large Growth Equity

INVESTMENT OBJECTIVE -We combine quantitative models with bottom-up fundamental research into a consistent and structured investment discipline. We believe that in combination, these elements allow us to identify companies early in their cycle of positive earnings and estimates changes, which can offer our clients above average stock appreciation potential.

MANAGEMENT FEE

Style:	Large company stocks of high quality companies with strong earnings potential									
Account Minimum:	\$3,000,000									
Annual Fees:	<table><tr><th>Account Value</th><th>Annual Fee Rate</th></tr><tr><td>First \$10,000,000</td><td>0.70%</td></tr><tr><td>Next \$20,000,000</td><td>0.60%</td></tr><tr><td>Over \$30,000,000</td><td>0.50%</td></tr></table>		Account Value	Annual Fee Rate	First \$10,000,000	0.70%	Next \$20,000,000	0.60%	Over \$30,000,000	0.50%
Account Value	Annual Fee Rate									
First \$10,000,000	0.70%									
Next \$20,000,000	0.60%									
Over \$30,000,000	0.50%									
Key Benefits:	Growth returns with risk control									

Focused Growth Equity

INVESTMENT OBJECTIVE - We seek to add value over time by uniquely combining proprietary quantitative models with bottom-up fundamental research in a consistent and structured investment discipline. Our process identifies companies with high quality balance sheets, consistent earnings streams, rising earnings estimates, and reasonable valuations relative to the Russell 1000 Growth Index. The firm believes that in combination, these four elements allow us to identify companies early in their cycle of positive change, capitalizing on above average appreciation potential. This strategy tends to use fewer more concentrated positions than does our Diversified Large Growth Equity product described above.

MANAGEMENT FEE

Style:	Large company stocks of high quality companies with strong earnings potential									
Account Minimum:	\$3,000,000									
Annual Fees:	<table><tr><th>Account Value</th><th>Annual Fee Rate</th></tr><tr><td>First \$10,000,000</td><td>0.70%</td></tr><tr><td>Next \$20,000,000</td><td>0.60%</td></tr><tr><td>Over \$30,000,000</td><td>0.50%</td></tr></table>		Account Value	Annual Fee Rate	First \$10,000,000	0.70%	Next \$20,000,000	0.60%	Over \$30,000,000	0.50%
Account Value	Annual Fee Rate									
First \$10,000,000	0.70%									
Next \$20,000,000	0.60%									
Over \$30,000,000	0.50%									
Key Benefits:	Growth returns with risk control									

Diversified Small Growth Equity

INVESTMENT OBJECTIVE - The small cap portfolio process identifies domestic stocks with greater earnings potential than the market. We believe it is possible to add value over time by combining quantitative models with bottom-up fundamental research in a consistent and structured investment discipline. Our process identifies small companies with strong earnings momentum, rising earnings estimates, and reasonable valuation relative to the Russell 2000 Growth Index.

MANAGEMENT FEE

Style: Small company stocks with strong earns potential
Account Minimum: \$1,000,000

Annual Fees:	Annual Fees	
	Account Value	Annual Fee Rate
	First \$10,000,000	1.00%
	Next \$20,000,000	0.70%
	Over \$30,000,000	0.60%

Key Benefits: Growth potential with controlled risk

Genesis Small Growth Equity

INVESTMENT OBJECTIVE - Sawgrass Asset Management's Small Cap Genesis strategy seeks to exploit rapidly changing data inputs in the small cap universe. The strategy implements the firm's small cap ideas portfolio to create a dynamic group of stocks that have highly attractive growth rates and are growing their earnings faster and more consistent than the market. The Genesis Small Cap portfolio aims to outperform the Russell 2000 Growth Index with a lower and more favorable risk profile for institutional investors. The portfolio's historical profile is competitive to the Russell 2000 Growth in regards to risk and return.

Sawgrass' Small Cap Growth thesis embraces the belief that is possible to add value over time by consistently applying a structured discipline that identifies attractive companies using the following criteria:

- 1) Demonstrated Earnings Growth
- 2) Strong Earnings Momentum
- 3) Rising Earnings Estimates
- 4) Reasonable Valuation

Our approach focuses on companies that demonstrate higher quality earnings, consistent growth and attractive valuations relative to their peers.

MANAGEMENT FEE

Style: Small company stocks with strong earns potential
Account Minimum: \$1,000,000

Annual Fees:

Account Value	Annual Fee Rate
First \$10,000,000	1.00%
Next \$20,000,000	0.70%
Over \$30,000,000	0.60%

Key Benefits: Growth potential with controlled risk

High Quality Core Fixed Income

INVESTMENT OBJECTIVE - The core fixed income strategy focuses primarily on controlled duration management of investment grade securities and secondarily on strategic sector valuations and specific security analysis. This portfolio typically has an effective duration that ranges from 3-6 years and an average maturity that ranges from 6-12 years. There currently are no sector constraints. The investable universe consists of U.S. dollar-denominated government, corporate and mortgage-backed securities. The investment approach is managed to the Barclays Capital US Aggregate Index.

MANAGEMENT FEE

Style: Duration controlled - Investment Grade Bonds

Account Minimum: \$3,000,000

Annual Fees:

Account Value	Annual Fee Rate
First \$20,000,000	0.35%
Over \$20,000,000	0.25%

Key Benefits: Active management with risk control

Intermediate Fixed Income

INVESTMENT OBJECTIVE - The intermediate fixed income strategy focuses primarily on controlled duration management of investment grade securities and secondarily on strategic sector valuations and specific security analysis. This portfolio typically has an effective duration that ranges from 2-5 years and an average maturity that ranges from 4-8 years. There are currently no sector constraints. The investable universe consists of U.S. dollar-denominated government, corporate and mortgage-backed securities. The investment approach is managed to the Barclays Capital US Intermediate Government/Corporate Index.

MANAGEMENT FEE

Style: Limited Duration - Investment Grade

Account Minimum: \$3,000,000

Annual Fees:

Account Value	Annual Fee Rate
First \$20,000,000	0.35%
Over \$20,000,000	0.25%

Key Benefits: Reduced interest rate sensitivity

Short-Term Fixed Income

INVESTMENT OBJECTIVE - The short-term fixed income strategy focuses primarily on controlled duration management of investment grade securities and secondarily on strategic sector valuations and specific security analysis. This portfolio typically has an effective duration that ranges from 1-3 years and an average maturity that ranges from 2-4 years. There are currently no sector constraints. The investable universe consists of U.S. dollar-denominated government, high quality corporate and mortgage-backed securities. The goal of this product is to generate investment returns which exceed 1-year Treasury Bills by 100 basis points over a market cycle. The current benchmark is the Merrill Lynch 1-5 Year Gov't/Corp Index. We also manage this product to a customized short-term index when appropriate.

MANAGEMENT FEE

Style: Short Duration - Investment Grade
Account Minimum: \$3,000,000
Annual Fees:

Account Value	Annual Fee Rate
First \$20,000,000	0.25%
Next \$20,000,000	0.15%
Over \$40,000,000	0.10%

Key Benefits: Low expected interest rate sensitivity

Balanced

INVESTMENT OBJECTIVE - Our balanced portfolio is a diversified portfolio stocks and bonds structured to satisfy our clients unique investment needs. We will work with the client, or if a Retirement Plan, with the Trustees' investment committee members (consultant, attorney, etc.) to review the current investment policy, assets, liabilities and future contribution/distribution needs of the Fund. Once these factors are taken into consideration, an optimal asset allocation is developed and implemented, based on current capital market assumptions.

MANAGEMENT FEE

Style: A blend of growth equity and investment grade bonds
Account Minimum: \$3,000,000
Annual Fees:

Account Value	Annual Fee Rate
First \$20,000,000	0.65%
Over \$20,000,000	0.50%

Key Benefits: Stock and high quality fixed income

Private Investment Fund

Our annual management fee is an amount equal to 0.65% of the aggregate Net Asset Value of all units of **membership interests**. The management fee shall be paid quarterly (0.1625%) in arrears and shall be charged pro rata against the Net Asset Value of each Member's units of **membership interests**.

Protocols for the Investment Products

The following protocols establish how we handle our Investment Product accounts and what clients should expect when it comes to: (i) managing their account(s); (ii) their bill for investment services; (iv) withdrawing funds; and (v) other fees charged to your account(s).

Discretion

We accept discretionary authority to manage accounts on behalf of our clients. Customarily, this authority is granted by an Investment Management Agreement or Investment Policy Statement (IPS) that is provided at the inception of our relationship. Limitations to our discretionary authority are generally described in the IPS. Typically, the IPS is furnished by the client or an independent third party; however, upon request, we will assist our clients in developing an IPS consistent with client circumstances.

Billing

The fees indicated above under each Product represents the annual percentage charged for portfolio management provided on an asset-based fee arrangement. Clients will be **billed quarterly (or monthly) in arrears** based on the fair market value of the assets held in their portfolio management account. For the first billing quarter, if the management account was not opened at the beginning/end of the quarter, the fee will be based upon a pro-rata calculation of the fair market value of the client's assets managed for the period.

The fee for a quarter will be one-fourth of the annual percentage (i.e., $1.00\% \div 4 = 0.25\%$) multiplied by the corresponding market value of the assets held within each tier on the last business day of the previous calendar quarter. Fee breaks will occur for the portion of assets in the client's portfolio that increase into the next indicated tier(s). **We retain discretion to negotiate the management fee** indicated under each of the Investment Products on a client-by-client basis.

Generally, **we will bill the client directly our quarterly management fee**. However, under certain arrangements, clients may choose to have our fees deducted from their custodial account. If we bill the client's managed account, advisory fees will be taken first from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

Account Discrepancies

To minimize the likelihood of discrepancies, we will remit invoices to clients after we have reconciled cash flow movements with custodian provided information. Any discrepancies of \$100 or more are corrected via an adjustment entry to the invoice on the next billing cycle. Certain client portfolios, due to their nature, may be subject to significant cash flows relative to the portfolio size. Such cash flows may result in quarter end balances that might not be representative of the portfolio during the billing period. In such instances,

subject to consultation with our client, we may calculate fees based on an average market value during the period.

Fee Exclusions

The above fees for all our management services are exclusive of any charges imposed by the custodial firm including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, including, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in the client's managed account. There can also be other fees charged to the client's account that are unaffiliated with our management services.

In addition, all fees paid to us for management services are separate from any fees and expenses charged on mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as: 12b-1 fees. Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. Clients are encouraged to carefully read the fund prospectus.

Termination of Investment Product Services

To terminate investment advisory services, either party (the client or Sawgrass) by written notification to the other party, may terminate the Investment Advisory Agreement at any time, provided such written notification is received at least 30 days prior to the date of termination. Such notification should include the date the termination will go into affect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

In the event termination does not fall on the last/first day of a calendar quarter, we will send the client a pro-rated bill for the number of days in the quarter the account was managed. Once the termination of investment advisory services has been implemented, neither party has any obligation to the other - we no longer earn management fees or give investment advice and the client becomes responsible for making their own investment decisions.

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not publish or promote performance-based fees or fees based on a share of capital gains or capital appreciation of client assets. However, at the request of a client, we will consider a performance-based fee based on individual circumstances³. Insofar as client accounts within a specific investment discipline are managed consistently with trades allocated proportionately, we give no priority of investment opportunities to client's portfolios with performance-based fees when managed with other accounts whose fees are based on overall asset-based.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under "Who We Are" in Item 4, the "Advisory Business" section. Our minimum account size for portfolio management is disclosed above under "Investment Products" in Item 5 above in the, "Fees & Compensation" section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Methods of Analysis

Equity

Quantitative Analysis

Our process is a bottom up approach beginning with our quantitative models. Our quantitative models are the evolution of 30 years of model construction to identify specific factors which have demonstrated added value over time. The adherence to a disciplined, unemotional approach is key to success in an investment environment which has infinite data. The ability to separate information from noise is ever more challenging.

Our models are sector specific to eliminate the naïve bias that would otherwise occur in a quantitative process primarily due to the differing capital structures of companies in different sectors. We are using Russell sector definitions.

The universe consists of every company in the Russell 1000 over \$2 billion, which is usually 900+ companies.

Factors are grouped into 6 groupings, with 1 to 6 factors in each grouping including 23 factors in all. The groupings are not equal weighted in the model. Below is listed each grouping in order of weighting listed recognizing that factor weightings vary from sector to sector.

1. Business Valuation
2. Price Volatility
3. Variability (Sales, Margins, Earnings)

³ To participate in a performance-based fee arrangement, the client must meet the minimum requirements of SEC Rule 205-3(d)(1), which are only available to the client, and even then, only if: (i) The Client fully understand the risks involved in performance-based fee management; (ii) The Client has at least \$750,000 under management with us or a net worth equal to or greater than \$1,500,000; or, (iii) The Client is a "qualified purchaser" under Section 2(a)(51)(A) of the Investment Company Act of 1940.

4. Earnings Quality
5. Equity Valuation
6. Profitability

Companies are scored and ranked on a decile basis. As with most quantitative models more of the information is found in the tails. As such we focus on the top quintile for new ideas and the bottom quintile as a sell trigger.

Fundamental Analysis

After a stock with a favorable quantitative score has been selected a fundamental review or scrubbing occurs. The purpose of this process is to confirm that the attractive characteristics identified in the quantitative scoring are repeatable and sustainable. It is as much a process of elimination as inclusion. The process involves the following elements

1. Review of Quantitative scoring - This review includes an objective analysis of a company's past performance. A review of the relative rankings of the six categories of scoring which results in a better understanding of favorable or unfavorable characteristics.
2. Review of financial statement analysis - Drilling into the financial statements give a sense of financial strength, flexibility and stability. It also helps to evaluate the growth trajectory and potential for sustainability. A comparison to competitors is also an important step in the process.
3. Management's Story - The purpose of this step is to understand management's view of themselves and how they articulate their prospect for success. We can discern this from reviews of the 10K business description discussion and analysis with reviews of how management communicates on conference calls and information provided in analyst/investor presentations.
4. Review of Analyst Research and Estimate Revision - The purpose here is to review the drivers of estimate revision. Gain an understanding of opinions and estimate dispersion. Gauge the overall sentiment and potential for change. In essence, we are looking to understand the Bull and Bear story for each company.
5. Final Valuation and Risk/Reward Analysis - This is the most subjective portion of the process. While quantitative scores help to identify attractive characteristics, the final analysis is a judgment as to what attractive valuation is in conjunction with risk reward scenario for each company.

Fixed Income

Sawgrass' active Fixed Income Strategies utilize a disciplined and systematic investment process focusing on high-quality securities. These strategies' investable universe primarily consists of U.S. dollar-denominated government, investment-grade corporates, and agency mortgage-backed securities. Portfolio exposures to BBB securities are limited to 5%. Effective duration is typically maintained within 20% of the benchmark. Our disciplined investment process is designed to provide diversified alpha from four main sources: duration, yield curve, market sectors, and individual securities. Incremental and active positions are taken when properly compensated for associated risks. This risk controlled process is designed to result in strong risk adjusted excess returns to achieve the objective of outperformance in all market environments as well as relative to a comparable benchmark and to the majority of our peers.

Investment Strategies

Equity

Portfolio construction is the final step in building the mosaic of risk versus return. We have extensive experience with a number of risk tools to aid us in portfolio construction. Over the last 20 years we have used Barra, Wilshire, Northfield and currently are using Axioma inside the FactSet framework. We understand the strengths and weaknesses of these tools and believe that they are an important aspect of taking conscious risk. As changes are considered to the portfolio, we conduct an ad hoc optimization to ensure that we understand what changes to the risk profile of the portfolio will occur so that we may be deliberate in our risk. Elements of risk considered include Tracking Error, Factor Exposures, Beta Estimate, Stock Specific risk, Individual active weights, Industry weights and Sector weights. Companies are sized in the portfolio according to active weights. The more confidence in a particular company, the larger the active position.

Our portfolio is benchmarked to the Russell 1000 Growth index with an expected tracking error of 3-6%. Our expected excess return range is +200-300 basis points.

Sell Decision

While the buy side of the process tends to get most of the attention we believe this is often the most difficult element of the process. We must recognize that we were wrong and move on. This is the more emotional part of the process. Our quantitative scoring process helps take the emotion out of this decision. By virtue of a relative scoring process we always have new ideas in place. Below are the key elements which can trigger a sell decision.

- 1) Quantitative scores deteriorate
- 2) Fundamentals deteriorate
- 3) More attractive companies identified
- 4) Risk profile realignment
- 5) Significant price break with volume

Our focus on stable, less volatile growers is an area that is often ignored in the growth world which is often focused on rates of change which provides the opportunity to add value over time.

Fixed Income

Our investment philosophy forms the foundation of a disciplined and systematic investment process that is applied across all fixed income strategies. The fixed income team implements this strategy in a constant, iterative process; actively reviewing the portfolio's positions against changes in market valuations.

Interest rate and yield curves are evaluated by reviewing current and historical market factors, to include historical real rates and inflation, yield curve structure, momentum indicators, and rate volatility. These factors are considered in conjunction with a thorough economic analysis of expected economic growth, inflation, and fiscal and monetary policy. This analysis forms our opinion on the expected trend of interest rate changes over the next 12-18 months, which is compared against the absolute risk of the prediction and relative risk-return of other investment ideas.

Our sector analysis begins by using a proprietary model to determine relative value among sectors incorporating fundamental and technical factors. The analysis results in a score for each sector based on the strength of their underlying fundamentals and relative valuations

with the sectors of the best fundamental score and relative cheapness considered for potential investment ideas. We then complete further research into the sector to determine whether the mispricing is temporary or likely to persist. Additionally, each investment idea is compared against its absolute risk and relative to the potential return-risk profile of other investment ideas.

Our security selection process begins by screening the universe with a proprietary relative value model, which compares the credit quality of an issuer's fundamentals based on multiple financial metrics and their current and historical spreads. Issuers with the best fundamental and relative value scores are candidates for inclusion in the portfolio. These investment ideas are then validated with further fundamental research. Best security ideas are then compared on a risk-adjusted basis against all other securities and other investment ideas from the sector and interest rate analysis.

An optimal portfolio is constructed by comparing the ideas generated through the analytical and screening steps with portfolio guidelines. Allocation across sectors and selection of securities is completed to ensure risks are measured and diversified within prescribed risk targets. The resulting portfolio has a profile that meets the long-term return objectives and is constantly monitored and adjusted to reflect changes in market fundamentals and value.

Managing Risk

Risks - Equity Investing

While many of the strategies we employ are designed to control the risk of the portfolios we manage, equity securities, by their very nature may be risky and involve loss of principal. We do not guarantee any performance results or that our clients will not incur a loss of either their original investment or any interim gains. In general, equity securities, as an asset class tends to fluctuate based on overall economic conditions and as recently demonstrated such fluctuations may, at times, be severe. For small capitalization stock investing, such volatility will generally exceed that of large capitalization stocks.

Risks - Fixed Income Investing

We employ a number of strategies designed to help control the risk of fixed income investing. However, such investing involves risks and investments may lose value over short or longer term intervals. In particular, fixed income investments are subject to interest rate risk (the loss of value associated with a general rise in interest rates), and credit risk (the loss of value associated with declining credit conditions). Generally speaking, longer maturity fixed income securities incur higher risk and volatility than experienced by shorter maturity securities.

Regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of our Investment Products, **investing in a security involves a risk of loss that clients should be willing and prepared to bear; and furthermore, past market performance is no guarantee that the client will see equal or better future returns on their investment.**

DISCIPLINARY INFORMATION

ITEM 9

There are no legal or disciplinary events to report at this time that are material to a client's or prospective client's evaluation of Sawgrass' advisory business or the integrity of Sawgrass' management or for any of our employees.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

Financial Industry Activities

Neither Sawgrass nor any of our management persons are licensed, or are related to, or have any relationship or arrangement that is material to our advisory business or to our clients that Sawgrass or any of our management persons have with any financial industry participant and therefore no disclosure is necessary.

Additionally, we do not receive compensation directly or indirectly from other investment advisers nor have other business relationships with other investment advisers for whom we have referred our clients.

Private Investment Fund Affiliation

Sawgrass is the exclusive Manager responsible for operational oversight and management of the Sawgrass Diversified Income Fund, LLC, a Delaware Limited Liability Company (the “Fund”) organized to manage a well-diversified portfolio of securities from among various asset classes including debt, equity, and preferred stock with the objective of generating income through dividends and interest payments.

Potential Conflicts of Interest

Our fiduciary duty binds us to an ethical standard of complete care and loyalty to our clients and to avoid circumstances that might affect, or appear to affect, this standard unless we act transparently and provide full and fair disclosure of any potential conflict. As the exclusive Manager to the Fund, Sawgrass and our employee-owned shareholders will receive some economic benefit from recommending clients to invest in the Fund. These benefits could be, but are not limited to, an increase in: advisory/consulting fees, salaries, and income/dividend returns should you choose to invest in the Fund. **Therefore, before accepting our recommendation to invest in this affiliated private Fund, you should consider other investment opportunities to ensure the expenses and investment returns are comparable or equivalent to other private funds.**

See “Pooled Investments” under Item 15, “Custody” for more information on how operating this Fund creates a custody situation.

Investment Limitations and General Considerations

Sawgrass, through its officers and employees, may solicit our advisory clients or other independent investors if they are considered to be: (i) an “accredited investor”, as defined in Rule 501 of Regulation D under the Securities Act of 1933; (ii) a “qualified client” as defined in Rule 205-3 under the Investment Advisers Act of 1940; or (iii) a “qualified purchaser” under Section 2(a)(51) of the Investment Company Act of 1940. **The Fund is not open to the general public.**

Should we determine that one of our advisory clients fit the criteria to invest in the Fund, a Confidential Private Placement Memorandum (“Memorandum”) will be provided to the client for consideration. This Memorandum discloses all possibilities for conflicts of interest and inherent risks, which are necessary for an investor to make an informed decision - **potential investors are encouraged to read this document.** In addition, all investors in the Fund are

given a right to rescind their Subscription and receive a full refund of their investment within three (3) business days after entering into a Subscription Agreement.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in the best interest of our clientele. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help clients understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

Other than the opportunity to invest in the Sawgrass Diversified Income Fund, LLC (the "Fund"), it is against our policies for any owners, officers, directors and employees to invest with a client or with a group of clients, or to advise a client or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

See "Pooled Investments" under Item 15, "Custody" for more information on how operating this Fund creates a custody situation.

Class Action Policy

The Company, as a general policy, does not elect to participate in class action lawsuits on behalf of a client. Rather, such decisions shall remain with the client or with an entity the client designates. We may assist the client in determining whether they should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with the client.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to clients. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on our clients' behalf. However, there may be instances where investment purchases for clients may also be made in an employee's account. In these situations we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative (RA), or who has discretion over clients' accounts, shall buy or sell securities for their personal portfolio(s) for a 24-hour period before or after trading in client portfolios. No employee of ours shall give preference to his or her own interests over that of our clients.
2. We maintain a list of all securities holdings for all our access employees. Our Chief Compliance Officer reviews these holdings on a regular basis
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by the compliance staff as directed by the Chief Compliance Officer to ensure that such activities do not impact the security of client information or create conflict of interest with the client.

BROKERAGE PRACTICES

ITEM 12

Selecting or Recommending Broker-Dealers

In selecting brokers, we will seek best execution of transactions on our clients' behalf, which may not necessarily be based on the commission rates being the lowest. The client's investment needs, the broker-dealer's trading capabilities, investment inventory, their financial strength, and our personal experience working with that broker-dealer will be considered, among other items, before executing a trade order.

In determining best execution, we may give consideration to the ability of the broker to provide quality and appropriate research services as well as efficient trade execution. A portion of client commissions may be used to purchase some of these research services. These research services typically include research information on economic, industry and company developments, which are useful to us in our investment decision making process and may receive electronically or in hard copy. An example of such research would include: FactSet, an electronic source of detailed company financial data. In addition, the use of trading system services such as ITG® may also be acquired in this manner.

Overall, commissions paid may, at times, be higher than those obtainable from other broker-dealers where no such services are acquired. Research received may be used in servicing some or all of our clients and, in some cases, may not be of benefit for an account whose commissions might be used to acquire such service. Research services that are obtained include proprietary services provided directly by the executing broker as well as third party research. Care is taken by us to ensure all third party research (soft dollar) arrangements are in compliance with Section 28(e) of the Securities and Exchange Act of 1934.

Directed Brokerage

Some clients may instruct us to direct some or all of the commissions from their account to brokers who may provide the client services separate from those provided by us. In addition, certain other clients may restrict our use of soft dollar commissions. These arrangements and restrictions by clients can cause the commission rates to differ significantly from what the other client is paying.

Directed brokerage arrangements may impact client results in the following ways:

1. The ability for us to negotiate commissions may be more limiting than for other clients.
2. Such clients may forego benefits that might result from our ability to bunch (aggregate) orders for a block trade as we do for other clients. These benefits can include volume related trading commission discounts and execution price.
3. A potential conflict of interest could exist if a broker-dealer, which refers a client to us, is also the broker-dealer to whom the client directs trades.
4. Based on the foregoing, directed brokerage arrangements may result in clients not obtaining best execution.

Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. To the extent possible, we aggregate trade orders and allocate trade executions across accounts within an investment discipline. This achieves more efficient and timely trade execution and helps ensure all clients are treated fairly.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

REVIEW OF ACCOUNTS

ITEM 13

Client portfolios are generally reviewed no less frequently than monthly to assure that portfolio holdings and characteristics are consistent with client objectives and investment style. Depending on the asset-class being managed, this overall review is conducted by the equity management team or fixed income management team. Each client account is assigned to a portfolio manager who has ultimate responsibility to assure that specific client policies are being followed. On a periodic basis, this process is monitored by compliance staff. On a monthly basis, client investment performance data are reviewed to confirm that results are consistent with investment style.

The frequency and nature of reports to individual clients is determined by agreement with each individual client. Generally, reports to clients include a discussion of factors affecting the financial markets, how these factors affect the investment strategy employed and a review of account performance. Statements showing portfolio holdings, valuations and transactions are provided to clients on a monthly or quarterly basis. Upon request, we will also provide such material to third parties such as consultants.

In addition, clients will receive monthly or quarterly statements from the broker-dealer where the client's account(s) are custodied. Each statement will summarize the specific investments currently held, the value of their portfolio and account transactions.

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We may directly compensate persons/firms for client referrals, provided that those persons are qualified and have entered a solicitation agreement with us. Under such arrangements, if a client was referred to us by a solicitor, the solicitor will provide complete information on our relationship and the compensation that solicitor will receive should the client choose to open an account. In no case will the fee that the client would pay be higher than it would be if the client had come to us directly without the referral.

In addition, as part of our marketing efforts, we seek to establish and maintain relationships with pension consultants which advise current and prospective clients. The primary purpose of these relationships is to familiarize consulting firms with Sawgrass, our professionals, and our Investment Products and processes. As part of this relationship, we will occasionally provide entertainment in the form of meals and/or invitations to sporting events. Therefore, to minimize the potential of a conflict of interest, we have adopted an internal policy designed to limit the value of such entertainment to no more than \$250 per person. Furthermore, we do not participate in consultant-sponsored conferences.

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients.

CUSTODY

ITEM 15

Account Statements

We do not take possession of or maintain custody of a client's funds or securities, but will simply monitor the holdings within their portfolio and trade your account based on our Investment Product's investment objectives. Possession and custody of your funds and/or securities shall be maintained directly with the custodian selected by the client.

However because clients have authorized us deduct our advisory fees directly from their account, we are defined as having custody. Therefore to comply with the United States Securities and Exchange Commission's Custody Rule (1940 Act Rule 206(4)-2) requirements, we have implemented the required safeguards to protect the client as well as protect our advisory practice.

- ❖ Client funds and securities will be maintained with a qualified custodian in a separate account in their name.
- ❖ The qualified custodian will send the client monthly brokerage statements summarizing the specific investments currently held in their account, the value of their portfolio, and account transactions.
- ❖ Authorization to withdraw our management fees directly from the client's account will be approved by the client prior to engaging in any portfolio management services.

Clients are encouraged to verify the transaction activities disclosed to them in their brokerage statement from the custodian. If we should elect to send the client a report on their account holdings, **we urge the client to compare the financial data contained in our report with the financial information disclosed in their account statement from the custodian to verify the accuracy and correctness of our reporting.**

Pooled Investments

As previously mentioned, we serve as the exclusive Manager to the Sawgrass Diversified Income Fund (the "Fund"), private investment partnerships to manage assets. See "Private Investment Fund Affiliation" above in Item 10, "**Other Financial Industry Activities & Affiliations**" for disclosure on the potential conflicts of interest.

In this situation where we act as **both** the Manager and investment advisor to the Fund, we have legal ownership of, and access to, funds and securities and thus have custody of client assets. By virtue of our position as the Manager and investment advisor, we have authority to dispose of funds and securities in the Fund at our discretion and charge fees that a client may never be aware of; thereby, increasing the potential for misconduct and self-dealing.

Therefore to protect our clients, as well as to protect our advisory practice, we are disclosing the following safeguards for clients to verify they have been implemented and are being followed. The safeguards for pooled investment vehicles can be found in Investment Advisers Act of 1940 Rule 206(4)-2. The Fund shall:

- ❖ Require the qualified custodian to send Members of the Fund, at least quarterly, account statements identifying amount of funds and each security currently held and all Fund transactions.
- ❖ Be subject to an audit (as defined in Section 2(d) of Article 1 of Regulation S-X [17 CFS 210.1-02(d)]) at least annually.

- ❖ Ensure the independent public accountant performing the audit is subject to regular annual inspection by the Public Company Accounting Oversight Board (PCAOB), in accordance to the rules of the PCAOB.
- ❖ Distribute the audited financial statements prepared in accordance with Generally Accepted Accounting Principles to all limited partners within 120 days of the end of the fiscal year.
- ❖ Upon liquidation of all assets in the Fund, have a final audited financial statement prepared and promptly distributed to all Members of the Fund after the completion of such audit.

INVESTMENT DISCRETION

ITEM 16

Sawgrass accepts discretionary authority to manage accounts on behalf of our clients. Customarily, this authority is granted by an Investment Management Agreement or Investment Policy Statement (IPS) that is provided at the inception of our relationship. Limitations to our discretionary authority are generally described in IPS. Typically, the IPS is furnished by the client or an independent third party; however, upon request, we will assist our clients in developing an IPS consistent with client circumstances.

VOTING CLIENT SECURITIES

ITEM 17

Proxy Voting

Policies have been adopted which are designed to help assure that proxy votes are cast in the best interest of clients. To assist Sawgrass in formulating and implementing an objective policy framework for voting proxies, we have engaged an outside third party vendor. We are unaware of any conflicts of interest that might arise through this process. At the inception of our relationship with clients, we provide a summary of these voting guidelines. At any time, clients may request a copy of our voting policies as well as our actual voting records.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200 in fees.

We are not aware of any financial conditions that are likely to impair our ability to meet our contractual commitments to you. In addition, we are not currently, nor at any time in the past ten years been the subject of a bankruptcy petition.

END OF DISCLOSURE BROCHURE