

Name of Investment Adviser: Martin Capital Advisors LLP	
Address: (Number and Street) (City) (State) (Zip Code) 11719 Bee Caves Road, Austin, TX 78738	Area Code: Telephone Number 512-477-7036

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant:

Martin Capital Advisors LLP

SEC File Number:

801-55669

Date:

3/25/2010

**1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate  
% of total advisory billings from that service.

(See instruction below.)

**Applicant:**

- ☐ (1) Provides investment supervisory services..... %
- ☒ (2) Manages investment advisory accounts not involving investment supervisory services..... 100 %
- ☐ (3) Furnishes investment advice through consultations not included in either service described above..... %
- ☐ (4) Issues periodicals about securities by subscription..... %
- ☐ (5) Issues special reports about securities not included in any service described above..... %
- ☐ (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices  
which clients may use to evaluate securities..... %
- ☐ (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... %
- ☐ (8) Provides a timing service..... %
- ☐ (9) Furnishes advice about securities in any manner not described above ..... %

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide  
estimates of advisory billings for that year and state that the percentages are estimates.)**B.** Does the applicant call any of the services it checked above financial planning or some similar term? ☐ Yes ☒ No**C.** Applicant offers investment advisory services for: (check all that apply)

- ☒ (1) A percentage of assets under management ☐ (4) Subscription fees
- ☐ (2) Hourly charges ☐ (5) Commissions
- ☐ (3) Fixed fees (not including subscription fees) ☒ (6) Other

**D.** For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- ☒ A. Individuals ☒ E. Trusts, estates, or charitable organizations
- ☐ B. Banks or thrift institutions ☐ F. Corporations or business entities other than those  
listed above
- ☐ C. Investment companies
- ☒ D. Pension and profit sharing plans ☐ G. Other (describe on Schedule F)

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity Securities  | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                                | I. Options contracts on:   |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter                        | <input checked="" type="checkbox"/> (1) securities                         |
| <input checked="" type="checkbox"/> (3) foreign issues  | <input checked="" type="checkbox"/> (2) commodities                        |
| <input checked="" type="checkbox"/> B. Warrants   | J. Futures contracts on:   |
| <input checked="" type="checkbox"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                                   |
| <input type="checkbox"/> E. Certificates of deposit   | K. Interests in partnerships investing in:                                 |
| <input checked="" type="checkbox"/> F. Municipal securities                                       | <input checked="" type="checkbox"/> (1) real estate                        |
| G. Investment company securities  | <input checked="" type="checkbox"/> (2) oil and gas interests              |
| <input type="checkbox"/> (1) variable life insurance  | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities   | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input checked="" type="checkbox"/> (3) mutual fund shares  |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

## B. The main sources of information applicant uses include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)   |

## C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered<br>options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

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**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?

Yes ☐ No ☒

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes ☐ No ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

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**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services Yes No  
and impose a minimum dollar value of assets or other conditions for starting or maintaining an account? ☒ ☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

All accounts are reviewed daily by the portfolio manager.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients receive a statement each quarter detailing the performance of their portfolios through the end of the previous quarter. In addition, they receive transaction confirmations and monthly statements from their account custodians.

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**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                                     |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Yes                                 | No                                  |
| (1) securities to be bought or sold? .....               | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (2) amount of the securities to be bought or sold? ..... | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
|  | Yes                                 | No                                  |
| (3) broker or dealer to be used? .....                   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
|  | Yes                                 | No                                  |
| (4) commission rates paid? .....                         | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☒ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions.

If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |  |   |
|---|--|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes<br><input type="checkbox"/>            | No<br><input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes<br><input checked="" type="checkbox"/> | No<br><input type="checkbox"/>            |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

	Yes	No
Has applicant provided a Schedule G balance sheet? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Schedule F of  
FORM ADV****Continuation Sheet for Form ADV Part II**

Applicant:

Martin Capital Advisors

SEC File Number:

801- 55669

Date:

3/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Martin Capital Advisors LLP

IRS Empl. Ident. No.:

74-2904570

**Item of Form**

Answer

**Item 1. A. (2)**

Services provided: investment portfolio management.

Basic Fee Schedule for investment portfolio management: one quarter of one percent per quarter at the beginning of January, April, July, and October (approximately one percent annually) of the assets under management. Percentage of profits fee alternatives are available for accredited investors and/or portfolios starting with assets of at least 500 thousand dollars.

Additional fees: The advisor may use mutual funds, including Exchange Traded Funds (ETFs), as investment vehicles -- in which case clients will pay management fees to both the mutual fund and the advisor.

Compensation: payable at the beginning of the first quarter services are provided (prorated) and at the beginning of every quarter thereafter until services are terminated. Clients may terminate services at any time, however, there is a one- percent redemption fee charged for assets withdrawn from management greater than ten percent per year (up to and including termination of the portfolio) during the first three years. This fee will not apply during an initial one-month grace period from the time assets are placed under management. Charges for final quarter services will be prorated up to the time of termination. Any unearned prepaid fees will be refunded. Quarters are: January 01 - March 31, April 01 -June 30, July 01 - September 30, and October 01 - December 31.

**Item 6.**

Education and business background:

Name: Paul Martin / Year of Birth: 1953 / Formal Education: BA, Liberal Arts, 1980, St. John's College, Santa Fe, NM / 5 Year Business Background: Managing Partner and Chief Investment Officer, Martin Capital Advisors, 1989 -present.

Name: Eileen Vanderlee / Year of Birth: 1925 / Formal Education: BS Household Science, 1946 Oklahoma A&M, Stillwell, OK; MBA 1951, University of Chicago / 5 Year Business Background: Partner and Investment Services Director, Martin Capital Advisors, 1994 - 2002; Partner, 2002 - present.

**Item 9. Code of Ethics**

Martin Capital Advisors (MCA) personnel are required to adhere to the MCA Code of Ethics.

Principles put forth by the Code are 1) The interests of investment clients must always be paramount; 2) MCA personnel may not take inappropriate advantage of client relationships; 3) All personal securities transactions should avoid any actual, potential or apparent conflicts of interest. The Code provides specific procedures and reporting to ensure these principles are met. A copy of the Code will be furnished upon request.

**Item 9. E.**

If Martin Capital personnel buy or sell securities that are also being bought or sold for clients, client interests always come first, in accordance with the Martin Capital Code of Ethics.

**Item 10.**

The minimum initial account value is \$250,000. Minimums may be reduced in some cases.

**Item 12. A. (1)**

There are no limitations.

**Schedule F of  
FORM ADV**

**Continuation Sheet for Form ADV Part II**

Applicant:

Martin Capital Advisors

SEC File Number:

801- 55669

Date:

3/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

Martin Capital Advisors LLP

IRS Empl. Ident. No.:

74-2904570

**Item of Form**

Answer

**Item 12. A. (2)**

There are no limitations.

**Item 12. B.**

The Advisor currently suggests that clients use one of two brokers: TD Ameritrade and Charles Schwab. These broker-dealers are independent and unaffiliated with the Advisor. The Advisor has undertaken due diligence to insure that each of these brokers fees are reasonable. Clients may also have their accounts managed through other brokers that they select.

**Item 13. B.**

Client solicitors are paid a percentage of client fees. They must distribute a Solicitor Disclosure Statement at the time of initial solicitation.

**Miscellaneous**

Execution of client orders: In the event that the Advisor executes trades in the same security at the same broker for multiple clients, the Advisor shall compute a weighted average price for all completed transactions in the security. This weighted average price shall be assigned to each client account involved in the security transaction. If security orders are distributed over more than one broker, the Advisor shall compute a separate weighted average price with respect to trades undertaken at each broker.

Clients do not enjoy economies of scale in the event that trades are aggregated. Minimum and per shares commissions are charged to each client as if that client's shares were the only ones transacting. In the event of a partial fill on a bunched trade, transacted shares are allocated to or from each client on a pro rata basis. Thus, each client transacts the same fraction of the shares when the order is not completely filled.

As stated in the Investment Advisory Agreement, the Advisor does not vote proxy statements in behalf of clients.