

V. M. Manning & Co., Inc  
Investment Advisory  
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**This brochure provides information about the qualifications and business practices of V. M. Manning & Co., Inc.. If you have any questions about the contents of this brochure, please contact us at the telephone number above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about V. M. Manning & Co., Inc. also is available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## Table of Contents

- 1) History and Advisory Business
- 2) Fees and Compensation
- 3) Types of Clients
- 4) Methods of Analysis, Investment Strategies and Risk of Loss
- 5) Disciplinary Information
- 6) Other Financial Industry Activities and Affiliations
- 7) Code of Ethics, Participation or Interest in Client Transactions and Personal Trading
- 8) Brokerage Practices
- 9) Custody and Review of Accounts
- 10) Investment Discretion
- 11) Voting Client Securities

## Item 1 – History and Advisory Business

Headquartered in Greenville, S. C., V. M. Manning & Co., Inc. was founded in 1916 by Vivian M. Manning. The firm was primarily engaged in the business of trading and investing in local textile companies. During the 1940's and 1950's Mr. Manning introduced many of the local mill owners to the management of larger corporations that were interested in acquiring other textile companies. If and when these mills were acquired, he invested the proceeds from the sales into mutual funds making V. M. Manning & Co. one of the largest producers of mutual funds in the South.

V. M. Manning incorporated in 1960 to become V. M. Manning & Co., Inc. From this time until the early 1970's the firm traded mainly over-the-counter securities and mutual funds. During this period the industry saw tremendous consolidation, changing the competitive landscape of the industry. In an effort to remain ahead of the competitiveness curve, V. M. Manning & Co., Inc. began to target clients, both individual and institutional, who needed more sophisticated money management services and utilized outside money managers to provide these services. The money managers that were used by V. M. Manning & Co., Inc. were known not only for their safety and quality of investment but also for their superior long-term performance.

During the early 1970's V. M. Manning & Co., Inc. became a member of the Philadelphia-Baltimore-Washington Stock Exchange (currently the Philadelphia Stock Exchange). While still self-clearing, the firm remained a member of the exchange until the late 1980's. At that time V. M. Manning & Co., Inc. realized that it could be more competitive by outsourcing the clearing and custodial aspects of the securities and investment management business. An outside firm was contracted to provide these services for the firm and the seat on the exchange was concurrently relinquished. This new structure allowed the firm to focus on investment management. Today, V. M. Manning & Co, Inc. uses Sterne Agee & Leach, a New York Stock Exchange member firm, to provide its clearing and custodial services.

During the mid-1990's, V. M. Manning began bringing the managed business in-house to be managed by its Chartered Financial Analyst (CFA), Nelson B. Arrington III, emphasizing safety and superior long-term performance. Portfolio management services are provided to clients on a separate account basis using proprietary stock research and market analysis. V. M. Manning & Co., Inc. prides itself on close client relationships and superior service provided.

Today, the firm is owned by Nelson B. Arrington Jr. and all investment advisory services are provided by Nelson B. Arrington III. The investment advisory services provided are primarily traditional money management services. This entails our firm having discretion in individual accounts to buy and sell securities as we deem necessary to fulfill our clients' goals and objectives. We do not utilize outside money managers or other products in the management of our clients' accounts. To this end, we use stocks, bonds and money market funds as the primary investment vehicles in accounts. In managing accounts, we limit customizing in accounts and instead manage accounts based off of a model portfolio that is designed around our current portfolio strategies. Exception can be made to this under certain circumstances. While we discourage the practice, clients may elect to impose restrictions on certain investments that they may wish to avoid. As of 12/31/10, our firm currently manages approximately \$30 million on a discretionary basis and \$2 million on a non-discretionary basis.

## Item 2 - Fees and Compensation

Our typical fee on accounts is 1.25% annually charged on the value of the assets under management and is charged on a quarterly basis after the quarter has ended. The fee is negotiable but will not be higher than 3% annually. The fee will be deducted from the account automatically by the custodian after the quarter has ended. At this time, we do not offer accounts that allow for performance based fees, nor do we collect any fees prepaid.

## Item 3 - Types of Clients

Currently our client base is comprised primarily of individuals, trusts and foundations. Our stated minimum for opening an account is \$500,000.00. This amount is negotiable and can be waived under certain circumstances.

## Item 4 - Methods of Analysis, Investment Strategies and Risk of Loss

Our management style is referred to as core equity. Our investments are primarily in the common stocks of companies headquartered in the United States. However, we may also invest in foreign common stocks as well as bonds and preferred stocks of companies domestically or abroad. We do not confine our management style to one particular strategy such as large cap, small cap, growth, value, international, etc. Instead, we seek to maintain a diversified portfolio that can be considered the core of any overall portfolio. We typically invest in companies with solid growth prospects that are undervalued in our opinion. This strategy is referred to by many as growth at a reasonable price. In selecting stocks, we also seek companies that pay dividends, preferably at a rate higher than the market average. We manage our portfolios in a conservative manner, but it should be understood that this still involves risk of loss and that there is no guarantee that an account will not sustain losses. Our strategy seeks to own stocks for long periods of time (several years) and to that end, we have low turnover of positions (typically 20% annually).

## Item 5 - Disciplinary Information

There are no material disciplinary actions currently or in the past.

## Item 6 - Other Financial Industry Activities and Affiliations

Currently, V. M. Manning & Co., Inc., in addition to being an investment advisor, is a broker-dealer registered with FINRA. Both Nelson B. Arrington Jr and Nelson B. Arrington III carry the series 7 and 63 licenses in conjunction with their affiliation with the broker-dealer functions of the firm. V. M. Manning & Co., Inc. primarily uses its broker-dealer license to execute trades for investment advisory clients (described more fully in item 8). The firm does have traditional brokerage accounts for other clients as well.

## Item 7 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

V. M. Manning & Co., Inc. or its agents or related persons may from time to time own securities that are being recommended for purchase or sale for traditional brokerage clients or are being purchased or sold for its discretionarily managed accounts. All of these transactions for V. M. Manning & Co., Inc. or its agents or related parties are reviewed and approved by Nelson B. Arrington III prior to the transaction being entered to make sure that there is no conflict of interest with client accounts and that all appropriate rules and regulations are observed.

## Item 8 - Brokerage Practices

V. M. Manning & Co., Inc. has sole discretion in determining with whom trades will be executed. Typically, trades for investment advisory client accounts will be executed by V. M. Manning & Co., Inc. through our broker-dealer. We will not charge any commissions on these trades and receive no compensation from clients for these trades. Furthermore, we have no soft dollar arrangements with other firms and receive no compensation from other firms for soft dollar or other arrangements. We reserve the right to execute trades through other broker-dealers if circumstances warrant. In those instances, liquidity, speed of execution, best pricing and cost of execution (among other factors) will be used in determining which outside broker-dealer to use, and no compensation will be received by our firm in those instances. If we find it necessary to use an outside broker-dealer, our firm will have discretion on determining the commission rates to be paid to those firms, which our clients will bear.

## Item 9 – Custody and Review of Accounts

V. M. Manning & Co., Inc utilizes an outside custodian to hold all customer securities and funds. Under no circumstance will our firm take custody of a client's account, securities or funds. Sterne, Agee and Leach will typically provide custodial services for our firm. However, a client can request another custodian if the need arises and we can usually accommodate that request.

We will review accounts at least annually with clients. This will be performed by Nelson B. Arrington III. Typically this will be in the form of an in-office visit, but may also be done over the telephone. The frequency of reviews can be increased at the discretion of the client. Independent of the frequency of reviews, a quarterly report will be sent to clients that has a detailed appraisal of the account as well as a quarterly performance report and a year-to-date performance report. Furthermore, Sterne, Agee and Leach will send all account holders a monthly statement that details all positions, transactions and any activity that takes place during the statement period. This statement will usually be sent out each month. However, in the event that there is no activity in the account in any given month, no statement will be mailed. In that event, our custodian will mail out a statement at least quarterly. If a client has a concern about his or her account, Nelson B. Arrington Jr can be contacted at the address above.

## Item 10 - Investment Discretion

In the management of accounts, we retain complete and unlimited discretionary trading authority as agent and attorney-in-fact with respect to the client's account. Pursuant to such authorization, we may, having sole discretion and at the client's risk, purchase, sell, exchange, convert, and otherwise trade the securities and other investments in the account, as well as arrange for delivery and payment in connection with the above, and act on behalf of our client in all other matters necessary or incidental to the handling of the account.

## Item 11 - Voting Client Securities

V. M. Manning & Co., Inc. shall not take any action with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in a client's account. Furthermore, we shall not be obligated to render any advice or take any action on behalf of a client with respect to securities or other investments held in the client's account, or the issuers thereof, which become the subject of any legal proceedings, including bankruptcies. Our clients will expressly retain the right and obligation to vote proxies or take any action relating to any and all securities held in their account.