



PURSuing SUPERIOR RETURNS BY INVESTING IN DEMOGRAPHIC TRENDS

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This brochure provides information about the qualifications and business practices of Mercury Investment Group. If you have any questions about the contents of this brochure, please contact Cecil Godman at [cgodman@merc-invest.com](mailto:cgodman@merc-invest.com). The information in this brochure has not been approved by Securities & Exchange Commission or any state securities authority. Additional information about Mercury Investment Group also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

**Material Changes:**

This brochure has been modified to include Henry L. Brenner as a member of the firm.

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## 1. Advisory Business

GHE LLC, dba Mercury Investment Group is a Memphis based registered investment advisor\*. The firm was founded in 2002 by principal owners Frank Goodman and Robert Hunt with the goal of offering a superior alternative to traditional investment research and advice.

Mercury Investment Group has developed an objective and disciplined approach to investment management. Using individually managed accounts, this approach recognizes the new normal created by changes in demographics. This has led to the development of a defined strategy incorporating a number of themes, with the primary objectives of above market returns with market level risk, and tax efficiency through low turnover. We primarily use large-capitalization U.S. common stocks. When necessary to meet client needs we also use exchange traded funds, closed-end bond funds, no-load mutual funds, municipal securities, US government securities and sell covered-call options contracts. Based on our clients' needs and risk preferences, we invest our clients' funds in a long only non-leveraged investment portfolio. Some clients wish to have restrictions on their accounts. We welcome conversations about any client needs. We generally avoid investments in alcohol, gaming or tobacco interests. As of Dec. 31, 2017 Mercury Investment Group had discretionary management of 58 separate accounts totaling \$60.1 million and non-discretionary management for 7 accounts totaling \$.3 million.

We believe our investment processes will continue to provide superior results and we are dedicated to providing the highest level of client attention and service.

\*Registration does not imply a certain level of skill or training. We are not financial planners.

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## 2. Fees & Compensation

Mercury Investment Group charges fees of 1% of the assets under management per year collected quarterly in advance. The fees are based on the value of the account at the time the fee is imposed. Fees for a partial quarter will be prorated based on the number of days in the quarter that the account was open. Our investment contract can be cancelled with 30 day noticed. Fees will be returned based on a pro-rata basis. Fees may be paid directly to Mercury Investment Group by the client or may be paid from the client's custodial account based on arrangements agreed upon by the client and the client's custodian. Custodians may not independently validate the amount of Mercury Investment Group's fee, and clients are encouraged to review their custodial account statement. In addition to the custodian's year end statement, we provide a summary of our fees to clients for their use as necessary.

There are no custodial fees or additional fees to set up your account, or to terminate it.

Clients pay all brokerage fees and taxes related to trades made in their account.

Mercury Investment Group reserves the right to modify this fee schedule under certain circumstances.

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## 3. Performance-Based Fees and Side-By-Side Management

Mercury Investment Group does not charge performance-based fees, and does not engage in side-by-side management.

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## 4. Types of Clients

Mercury Investment Group offers disciplined, quantitatively driven strategy of investment management services for individuals, trusts, estates, charitable organizations, governmental entities, corporations, pension & profit sharing plans, and businesses.

Minimum portfolio size: \$500,000.

Mercury Investment Group reserves the right to negotiate minimum dollar values required under certain circumstances.

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## 5. Methods of Analysis, Investment Strategies and Risk of Loss

Mercury Investment Group studies the structure of households around the world, specifically their age, education/income, ethnic, and geographic distributions. We develop investment themes based on an understanding of how increasing global affluence combines with demographic, social and product trends to drive changes in consumer demand. To act on this knowledge, we invest clients in a like weighted portfolio of U.S. based equities that are positioned to take advantage of superior demographic demand growth. Our superior returns have been primarily generated through stock selection and not sector allocations.

Past performance is no guarantee of future results. Stock market conditions vary from year to year, and can result in a decline in market value due to material market or economic conditions. Mercury Investment Group makes quantitative evaluations of likely future outcomes that may not prove to be accurate or there may be market conditions where this approach performs poorly. As a result the strategy is only suitable for investors who have medium to long-term investment goals and are comfortable with an investment that may decrease in value.

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## 6. Disciplinary Information

Mercury Investment Group is not and has not been involved in any disciplinary action. There is also no disciplinary action to disclose about its management personnel.

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## 7. Other Financial Industry Activities and Affiliations

Mercury Investment Group is not registered as a securities broker-dealer. No member of Mercury Investment Group participates in any other investment-related business, nor are they a related person or a general partner in any partnership in which clients are solicited to invest. No material conflicts of interest exist.

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## 8. Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Our Code of Ethics requires all members and employees to respect and obey all of the laws, rules and regulations applicable to our business, including, among others, securities, banking and other federal, state & local laws. Mercury Investment Group has a Compliance Manual designed specifically to meet applicable laws and regulations. This means that all members and employees of Mercury Investment Group must respect and obey all of the laws, rules and regulations applicable to our business, including among others, securities, banking and other federal, state and local laws. Although he or she is not expected to know the details of each law governing Mercury Investment Group's business, he or she is expected to be familiar with and comply with the company-wide policies and procedures as they apply to his or her business unit and, when in doubt, to seek advice from supervisors, managers or other appropriate personnel.

A copy of our Code of Ethics is available by contacting us at 901.327.2788.

Mercury Investment Group does not recommend, nor buy or sell investments in which it has a material financial interest.

The members of Mercury Investment Group may, from time to time, purchase securities for themselves that are also recommended to clients. Members inform the Compliance Officer of all trades. In addition, we require all "Access Persons" to report, and the Compliance Officer to review, their personal securities transactions. While we consider owning the same things to be an aligning of interests between members and clients, we do not allow transactions between members and clients and all trades are completed by a third party broker/dealer. No member or employee trades that harm a client or allow a member or employee to be unfairly advantaged are allowed.

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## 9. Brokerage Practices

Mercury Investment Group selects individual brokers based on their ability to provide the best qualitative execution for managed accounts. This is not limited to lowest commission and includes speed of execution, number of markets checked, confidentiality and responsiveness. We do not participate in any soft dollar programs, and receive no research or other products or services other than execution from a broker-dealer or third party in connection with client securities transactions. We receive no client referrals from any broker-dealer, nor is any person at Mercury Investment Group related to any person at a broker-dealer that we use.

A client may choose to direct that we execute all transactions through Client's broker-dealer. Client specifically authorizes Adviser to incur higher commissions than might be negotiated by Adviser on Client's behalf with other broker-dealers because Client has confidence in their broker-dealer.

Client acknowledges that such broker-dealers are not agents of Adviser and will not hold the Adviser liable for the acts, conduct or omissions of such broker-dealers.

It is agreed that the sole standard of care imposed upon Mercury Investment Group is to act with the skill, prudence, and diligence under the current circumstances that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Adviser shall not be liable to the Client for any act or omission of any broker, dealer or the Custodian. Any stated limitations on liability shall not relieve the investment adviser from any responsibility or liability the investment adviser may have under state or federal statutes.

Client funds are not pooled or co-mingled. Client trades are entered individually. Clients own highly similar portfolios so orders for the same security may be placed for many clients at the same time. The chronological order of trades is the discretion of Mercury Investment Group and trades are entered so as to not advantage or disadvantage any client or group of clients over the long term.

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## 10. Review of Accounts

All accounts are reviewed by one or more of the members of the investment committee of the firm.

Each account is reviewed at least quarterly, or more frequently in the discretion of the Investment Committee. Each account is reviewed for adherence to the firm's investment process. In addition to reports received from the custodian, Mercury Investment Group provides a quarterly valuation reporting cost and quarter end value of all investments held in a client's account(s).

The Investment Committee consists of: Frank B. Goodman, III, Chief Manager, Bob Hunt, Vice Manager, and Cecil Godman, Chief Marketing Officer and Secretary.

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## 11. Client Referrals and Other Compensation

Neither Mercury Investment Group, nor its members, have any arrangements, oral or in writing whereby they are paid cash by or receive some economic benefit from a non-client in connection with giving advice to clients. We also do not directly or indirectly compensate any person for client referrals.

## 12. Custody

Clients' assets are custody of a third party broker/dealer and that broker/dealer is the responsible for account valuation and their monthly statement is the report of actual account value. Quarterly reports of account cost and valuation are provided by Mercury Investment Group as a courtesy and are provided for verification of the broker/dealer's account statement. We urge all clients to regularly examine the broker/dealer's monthly account statement and use our quarterly courtesy statement as a check on the appropriate monthly account statement.

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## 13. Investment Discretion

Mercury Investment Group exercises discretion on the investment's inside client accounts through a limited power of attorney. This authority is created by the client and Mercury Investment Group mutually executing a copy of Mercury Investment Group's contract and by client execution of a broker/dealer's account application which also describes the limits to the power of attorney granted Mercury Investment Group by the client.

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## 14. Voting Client Securities

We will not take any action with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Portfolio may be invested from time to time. Proxy solicitations will be mailed to the clients by the issuers of those securities. Clients are encouraged to vote their shares as they see fit and Mercury Investment Group does not offer advice on proxy voting.

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## 15. Financial Information

No required disclosure. Mercury Investment Group does not charge fees six months or more in advance.

## 16. Requirements for State-Registered Advisers

No required disclosure.



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**FORM ADV, Part 2B**  
Brochure Supplement: Cecil A. Godman, III

Dated: January, 2018

This brochure supplement provides information about Cecil A. Godman, III that supplements the Mercury Investment Group brochure. You should have received a copy of that brochure. Please contact Cecil if you did not receive the Mercury Investment Group brochure or if you have any questions about the contents of this supplement.

## **Item 2: Educational Background and Business Experience**

Cecil leads our business development and client servicing effort while adding his multi-decades of investment experience to our organization.

Prior to joining Mercury, he was SVP of Business Development for First Tennessee Advisory Services. He had also held the position of First Vice President with SunTrust Bank in their Wealth and Investment Management Division, serving successful business and professional clients with a wide variety of products to meet their specific financial needs. Previously Mr. Godman was Executive Vice President and Chief Investment Officer with Gintel Asset Management, Inc. and Partner for Gintel & Co., a New York Stock Exchange Member Firm.

Cecil has experience in public speaking whether in front of investment groups or serving as a guest lecturer in college & university classrooms. Several well-known publications have interviewed him including: *Barron's*, *Business Week*, *Forbes*, *Fortune*, *The Wall Street Journal*, *Investors' Business Daily*, *The New York Times*, *The Wall Street Transcript*, *Outstanding Investors' Digest* and *Memphis Business Journal*.

Mr. Godman's current community involvement includes: JDRF Board, FCA Advisory Board and Board Member & Treasurer for Discipling Men, Inc.

Cecil earned a BA in Business Administration and Economics from Rhodes College.

## **Item 3: Disciplinary Information**

Cecil A. Godman, III has had no legal or disciplinary events to disclose.

## **Item 4: Other Business Activities**

Cecil A. Godman, III has no other business activities outside of Mercury Investment Group.

## **Item 5: Additional Compensation**

Cecil A. Godman, III has no additional compensation outside of Mercury Investment Group

## **Item 6: Supervision**

Frank B. Goodman is the person responsible for supervising Cecil A. Godman, III. Frank's phone number is 901-327-2788 and his e-mail address is [fgoodman@merc-invest.com](mailto:fgoodman@merc-invest.com). Cecil is the Chief Marketing Officer, Chief Compliance Officer, Secretary, and a Member of Mercury Investment Group. His advisory activities are governed by Mercury Investment Group's Code of Ethics in its Compliance Manual. He is member of Mercury Investment Group's Investment Committee.

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**FORM ADV, Part 2B**  
Brochure Supplement: Frank B. Goodman, III

Dated: January, 2018

This brochure supplement provides information about Frank B. Goodman, III that supplements the Mercury Investment Group brochure. You should have received a copy of that brochure. Please contact Cecil Godman if you did not receive the Mercury Investment Group brochure or if you have any questions about the contents of this supplement.

## **Item 2: Educational Background and Business Experience**

Frank combines a deep understanding of demographics and consumer behavior to identify superior growth opportunities.

Prior to founding Mercury Investment Group, Frank was a consultant for a number of leading consumer-oriented businesses where he used his experience to help build sales forecasting models, competitive analysis studies, and strategic planning applications. Before his consulting endeavors, Frank spent eight years as vice president of research for AutoZone, Inc. While at AutoZone, he headed the new store sales forecasting team that successfully invested over a \$1 billion in new AutoZone stores over an 8 year period, taking the AZO store count from 500 in 1992 to over 3,000 in 2000 plus 18 stores in Mexico. Prior to AutoZone, Mr. Goodman worked in the finance division for a closely-held manufacturer preceded by a position with FedEx.

After graduation from Alabama and prior to obtaining his MBA, Frank served as an Officer in the U. S. Army 1<sup>st</sup> Cavalry Division. His duties included serving as custodian for Top Secret documents, personnel reliability program manager, and emergency action program manager.

Frank earned his BA from the University of Alabama and his MBA from the University of Memphis.

## **Item 3: Disciplinary Information**

Frank B. Goodman, III has had no legal or disciplinary events to disclose.

## **Item 4: Other Business Activities**

Frank B. Goodman, III has no other business activities outside of Mercury Investment Group.

## **Item 5: Additional Compensation**

Frank B. Goodman, III has no additional compensation outside of Mercury Investment Group

## **Item 6: Supervision**

Frank B. Goodman is supervised by Cecil Godman. Cecil's phone number is 901-327-2788 and his email address is [CGodman@merc-invest.com](mailto:CGodman@merc-invest.com). Frank is the Co-Founder, Chief Portfolio Strategist, and Managing Member of Mercury Investment Group. His advisory activities are governed by Mercury Investment Group's Code of Ethics in its Compliance Manual. Frank has been on the Investment Committee of Mercury Investment Group since the founding of the firm in late 2002.

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**FORM ADV, Part 2B**  
Brochure Supplement: Robert J. Hunt

Dated: January, 2018

This brochure supplement provides information about Robert J. "Bob" Hunt that supplements the Mercury Investment Group brochure. You should have received a copy of that brochure. Please contact Cecil Godman if you did not receive the Mercury Investment Group brochure or if you have any questions about the contents of this supplement.

## **Item 2: Educational Background and Business Experience**

Over two decades and through a variety of experiences, Bob established our preferences for growing free cash flow and improving return on capital.

Having been the CFO for two Fortune 500 companies has given him a well-grounded perspective for analysis.

Prior to the founding Mercury Investment Group late 2002, Bob served as executive vice president and Chief Financial Officer of AutoZone, Inc. and as a director of AutoZone from 1994 until he took early retirement in late 2002. Before AutoZone, Mr. Hunt was Executive Vice President and CFO for The Price Company (Price Club), a large chain of warehouse clubs primarily in the western states that was acquired by Costco in 1994. Bob had previously been a financial executive with Malone and Hyde in Memphis, TN and PepsiCo, Inc. in Purchase, NY.

In addition to his past directorship on the AutoZone and Price Company Boards of Directors, Bob currently serves as a trustee of The Academy Place Foundation, which focuses on education as a tool to impact the lives of young people.

Bob earned his AB in economics and an MBA from Columbia University.

## **Item 3: Disciplinary Information**

Robert J. Hunt has had no legal or disciplinary events to disclose.

## **Item 4: Other Business Activities**

Robert J. Hunt has no other business activities outside of Mercury Investment Group.

## **Item 5: Additional Compensation**

Robert J. Hunt has no additional compensation outside of Mercury Investment Group.

## **Item 6: Supervision**

Frank B. Goodman is the person responsible for supervising Robert J. Hunt. Frank's phone number is 901-327-2788 and his e-mail address is [fgoodman@merc-invest.com](mailto:fgoodman@merc-invest.com). Robert is the Co-Founder and a Member of Mercury Investment Group. His advisory activities are governed by Mercury Investment Group's Code of Ethics in its Compliance Manual. Robert has been on the Investment Committee of Mercury Investment Group since the founding of the firm in late 2002.

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**FORM ADV, Part 2B**  
Brochure Supplement: Henry Brenner

Dated: January, 2018

This brochure supplement provides information about Henry L. Brenner that supplements the Mercury Investment Group brochure. You should have received a copy of that brochure. Please contact Cecil Godman if you did not receive the Mercury Investment Group brochure or if you have any questions about the contents of this supplement.

## **Item 2: Educational Background and Business Experience**

Over four decades of investment, industry, and through a variety of experiences, Henry brings a wealth of entrepreneurial experience. Henry leads our Corporate and Community Relations efforts.

Prior to the joining Mercury Investment Group in July of 2017, Henry served as senior vice president of Highland Capital. Before Highland, Mr. Brenner was vice president for Corp. and Community Relations of Goodwill Industries, Inc. Memphis, TN. Mr. Brenner has also been Director of Corporate Relations at Christian Brothers University, Chairman of Heritage Capital Advisors, executive vice president of client services at Legacy Securities Corp, and is well known for having founded Brenner Steed, one of the first discount brokerage firms.

In addition to his past leadership roles in the securities industry, Henry was on the CBU Board of Trustees for 13 years, Commissioner of Memphis Light Gas & Water, Founder and Chairman of the Board for the Fire Museum of Memphis and Board Member for Ava Maria Home, which focuses on the lives of people in need of assisted living care. In 2018, the U S Department of Justice awarded Mr. Brenner with the FBI Director's National Leadership Award, which was presented by FBI Director Christopher Wray.

Mr. Brenner received his bachelor's from Christian Brothers University and an MBA from the University of Memphis.

## **Item 3: Disciplinary Information**

Henry has no legal or disciplinary events to disclose.

## **Item 4: Other Business Activities**

Henry L. Brenner has no other business activities outside of Mercury Investment Group.

## **Item 5: Additional Compensation**

Henry L. Brenner has no additional compensation outside of Mercury Investment Group.

## **Item 6: Supervision**

Frank B. Goodman is the person responsible for supervising Henry L. Brenner. Frank's phone number is 901-327-2788 and his e-mail address is [fgoodman@merc-invest.com](mailto:fgoodman@merc-invest.com). Henry is a Member of Mercury Investment Group. His advisory activities are governed by Mercury Investment Group's Code of Ethics in its Compliance Manual.