



Achieve. Aspire. Ascend.

Arete Wealth Advisors, LLC.
Form ADV Part 2A – Disclosure Brochure
December 31, 2011

Arete Wealth Advisors, LLC
1699 E. Woodfield Rd. Suite 565
Schaumburg, Illinois 60173
(847) 658-8366
www.aretewealth.com

This brochure provides information about the qualifications and business practices of Arete Wealth Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (847) 658-8366. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about us at the SEC's website www.adviserinfo.sec.gov.

Item 2 – Material Changes

Our last annual update was filed December 31, 2011. We are updating our Form ADV Part 2A – Disclosure Brochure to update Item 4 – Advisory Business and Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

Material changes to the brochure since Arete Wealth Advisors December 31, 2011 annual filings include:

- We now participate in a wrap fee program sponsored by TD Ameritrade
- We now offer Corporate Stock Option Plan Management Services Concentrated Stock Management Strategies and Option Overlay Strategies to our clients. See Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.

Item 3 -Table of Contents

Item 2 – Material Changes.....	2
Item 3 -Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	7
Item 6 – Performance-Based Fees and Side-By-Side Management	9
Item 7 – Types of Clients.....	9
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	10
Item 9 – Disciplinary Information	15
Item 10 – Other Financial Industry Activities and Affiliations	15
Item 11 – Code of Ethics	17
Item 12 – Brokerage Practices	18
Item 13 – Review of Accounts.....	19
Item 14 – Client Referrals and Other Compensation.....	19
Item 15 – Custody	19
Item 16 – Investment Discretion.....	20
Item 17 – Voting Client Securities.....	20
Item 18 – Financial Information	20
Brochure Supplement(s)	

Item 4 – Advisory Business

The Company

Arete Wealth Advisors, LLC ("we," "us" or "Arete") has offered professional asset management services since it was formed in 2007.¹ We have been registered with the SEC since January 2009.

We are owned by our employees and investment adviser representatives both directly and indirectly by our parent holding company, Old Growth Capital, LLC ("Old Growth Capital"). Our principal owners are Joshua Rogers, President, and Jonathan Greer, managing member of Old Growth Holdings, LLC that is an indirect owner of over 25%.

Advisory Services

Investment Supervisory Services

We provide continuous investment management services to individuals, pension and profit sharing plans, trusts, estates and charitable organizations and other corporate and business organizations. Our portfolio management services are based on the client's goals, objectives, time horizon, and risk tolerance. Our investment management services include:

- Investment strategy
- Personal investment policy
- Asset allocation
- Asset selection
- Regular and/or continuous portfolio monitoring

We will evaluate the current investments of each client with respect to their risk tolerance levels and time horizon. We will typically request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction.

We also make available some asset allocation models developed on a proprietary basis by Investment Advisor Representatives of Arete. One such group of technically “discretionary” but 100% rule-based global dynamic asset allocation (GDAA) models is organized as separately managed accounts. Though the models are managed without customization at the account level,

¹ Registration as an investment adviser does not imply a certain level of skill or training.

each client's advisor may or may not choose to recommend them as part of that client's customized investment mix.

Wealth Planning

We provide a full range of wealth management services to our individual clients. In addition to investing your assets, we provide you with advice, assistance and education on topics like:

- equity and fixed income investing (asset allocation)
- insurance
- estate planning
- retirement planning
- college savings
- wealth transfer between generations and to charitable organizations
- family office services
- private asset management

Tailored Advisory Services

All of our clients may impose restrictions on investing in certain securities, industries or sectors. You must advise us of any such restrictions in writing. In other respects, we individualize our services differently depending on the nature and type of client (i.e. individual, pension plan, charitable organization or other).

Pension Plans, Charitable Organizations, Trusts and Estates

Generally, our pension plan, charitable, and trust and estate clients provide us with an investment policy to follow, which we regularly review. We invest your assets in accordance with your investment policy.

Individual Clients

Our relationships with our clients are in-depth and personalized. We tailor our advisory services to meet each client's particular needs. We work directly with you and your other advisers to build and protect your wealth over the long term.

We ask you to complete an investor questionnaire to assist us in developing investment objectives that reflect your unique goals, liquidity requirements, risk-tolerance and time horizon. We refer to this as your Investment Policy Statement. You may have multiple accounts with us,

and each may have different investment objectives. We review your questionnaire periodically (at least annually) to be sure the objectives continue to meet your particular needs and goals. Risk tolerance levels will be documented in the Investment Policy Statement that we prepare and will be given to you.

In this process, we also assist you in developing appropriate allocation objectives. However, market volatility can sometimes change asset values. When this happens, the values of your assets may become inconsistent with your desired allocation objective. If we think it is appropriate, we will rebalance your portfolio to align with your allocation objectives. Rebalancing your portfolio can lead to additional trading costs.

One exception to this is the global dynamic asset allocation (GDAA) models discussed earlier. These models re-evaluate their allocations at strict pre-determined intervals, typically monthly, and are based entirely on quantitative rules governing security selection and allocation percentages. (Execution costs are mitigated using methods discussed under Fees and Compensation later in this brochure.)

Subadvisory Relationships

We may recommend all or a portion of your assets in an account be managed by a third-party money manager or subadvisor. We will ask that you authorize us to use our discretion in selecting or changing an outside money manager or subadvisor without your prior notice unless you direct us otherwise. In some cases, for greater transparency, this combined fee may be separately itemized on your statements, one part showing the subadvisor's subcomponent.

Wrap Fee Program

Wrap fee programs combine investment advisory service charges and transaction charges in a single asset based fee. We participate in TD Ameritrade's wrap fee program. Typically, TD Ameritrade charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions).

TD Ameritrade enables us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. TD Ameritrade's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by TD Ameritrade may be higher or lower than those charged by other custodians and broker-dealers.

We receive a portion of the wrap fee as compensation for the investment advice provided by our Investment Advisory Representative and for administering the wrap fee program.

Assets Under Management

On December 31, 2011 we had approximately \$189 million in assets under management. We manage almost all of these assets on a discretionary basis.

Item 5 – Fees and Compensation

Amount of Our Fees

Investment Supervisory Services

We calculate our fees as a percentage of assets we manage for you. Fees are generally negotiable if the value of all your related accounts with us is more than \$1MM. Some clients pay more or less than others depending on certain factors, including type and size of the account, the range of additional services provided to the client, and the total amount of assets managed for a group of related clients. Your fee is specified in your arrangement with us. Our standard fee schedule for both individual and non-individual clients is the following:

ASSETS UNDER MANAGEMENT	<i>MAXIMUM ANNUAL FEE</i>
\$0* - \$249,000	3.00%
\$250,000 - \$749,999	2.50%
\$750,000 - \$1,499,999	2.00%
\$1,500,000 - \$4,999,999	1.75%
\$5,000,000 and over	1.50%

*We require a \$50,000 initial minimum account balance which we may waive based upon the individual needs and complexity of the particular client situation. Your final fee schedule will be attached to your advisory agreement with us.

Wealth Planning

We charge either an hourly fee or a fixed fee for our Wealth Planning services (as defined above). Hourly fees and fixed fees for these services are negotiated between you and our independent investment adviser representative. Your agreed upon fee structure is disclosed in your advisory contract with us.

Payment of Fees

Individual and Institutional Clients

We deduct our fees directly from your account at the end of each month or quarter, unless we both agree otherwise. You may terminate our account within five (5) days written notice. We do not have a refund policy because our fees are charged in arrears. There is no fee owing or penalty should you choose to terminate your account within five (5) days of opening your account.

Subadvisors

Subadvisory or third party money management fees will be paid by us from the fees we charge you on the assets we have under management unless you direct us otherwise.

Wealth Planning

Wealth Planning fees are charged on either a fixed fee or hourly rate basis. You will negotiate the terms of payment directly with our independent investment adviser representative. For example, payment may be at the conclusion of a specific service or project or upon receipt of periodic invoicing (i.e. monthly or quarterly).

Ticket Charges

You are charged a per transaction ticket charge. The amount of the charge depends on the particular negotiated fee our representatives negotiate with your custodian. These fees result in no income to us and are a direct flow through of charges that the custodian uses to offset the costs of performance reporting, general trade handling costs, and confirmation costs.

One exception to this is the global dynamic asset allocation (GDAA) models discussed earlier. To mitigate the impact on execution costs of these models' frequent portfolio changes, these accounts instead use a fixed annual percentage-of-assets execution fee, assessed quarterly in arrears, regardless of the number of executions. That execution fee is currently 0.15% annually (with a \$100 annual per account minimum), based on the average ending account balance of the three months in the quarter. [To accommodate very small accounts, we also offer somewhat more limited models with no asset-based execution fee using exchange-traded funds (ETFs) specified by the custodian that incur no ticket charges if held for 30 days or more.]

Other Fees

Clients may pay other expenses in addition to the fees paid to Arete. For example, clients may pay costs such as transaction fees, custodial fees, transfer taxes, wire transfer fees, and other fees and costs charged to brokerage accounts and securities transactions, which are unrelated to the fees collected by Arete. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus and/or financial filings. Clients should review the fees charged by a particular fund and the fees charged by us to understand the total amount of fees paid in mutual funds.

Mutual Fund Fees

Fees you pay us for advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed to assist the client in determining which mutual fund or funds are most appropriate for a particular client based upon their specific financial objectives. Clients should review both the fees charged by the funds and our fees to fully understand the total amount of fees being charged for our advisory services.

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

We do not charge performance-based fees.

Item 7 – Types of Clients

We generally provide advice to the following types of clients:

- Individuals
- pension and profit sharing plans
- trusts, estates and charitable organizations
- other corporate and business entities.

Generally, we require a \$50,000 initial minimum account balance. We may waive the requirement based upon your needs and complexity of account.

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

Methods of Analysis and Investment Strategies Used to Manage Your Assets

Methods of Analysis

We use the following methods of analysis in formulating our investment advice:

Charting

In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and/or reverse.

Fundamental Analysis

We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Technical Analysis

We analyze past market movements and apply that analysis to present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis

In this type of technical analysis, we measure the movement of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis

We use mathematical models to make probabilistic forecasts based on observed correlations between (a) quantifiable data (whether fundamental or technical or both) at one point in time and (b) subsequent price changes of individual securities or market indices of interest.

One risk is that an observed correlation, though real, may later change. Another risk is that the observed correlation later may prove to have been only coincidental and not causally related.

Qualitative Analysis

We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk in using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation

Rather than focusing primarily on securities selection, we attempt to identify an appropriate ration of securities, fixed income, and cash suitable to the client's investment goals, time horizon and risk tolerance.

The global dynamic asset allocation (GDAA) models discussed earlier differ slightly from this general statement. They do use index-based exchange-traded funds (ETFs) in order to participate in diversified asset classes, and thereby mitigate the potential risk of individual stocks. But the models focus primarily on individual ETF selection, not on portfolio allocation. Asset class diversification occurs, but it does so by rotating in and out of various asset classes over time, not by holding a fixed allocation for a prolonged period.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector.

Mutual Fund and/or ETF Analysis

We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if the manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund in the client's portfolio. We also monitor the funds or ETF's in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual funds and/or ETFs is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holdings less suitable for the client's portfolio.

Third Party Money Manager Analysis

We examine the experience, expertise, investment philosophies, and past performances of independent third-party investment managers in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We monitor the manager's underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment.

A risk of investing with a third-party manager who has been successful in the past is that he/she may not replicate that success in the future. There is risk that a manager may deviate from their stated investment mandate or strategy as we do not control the underlying investments in a third-party manager's portfolio. We do not control a third-party manager's daily business and compliance operations and we may be unaware of the lack of internal controls necessary to prevent business, regulatory and reputational deficiencies.

General Risks of Investing

Our securities analysis methods rely on the assumption that the companies whose securities we recommend, the rating agencies that review these securities and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be inaccurate, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Strategies Used to Manage Your Assets

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons.

Long-Term Purchases

We purchase securities with the idea of holding them in the client's account for a year or longer. Typically, we employ this strategy when:

- we believe the securities are currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long term purchase strategy is that holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client or a security may decline sharply in value before we make a decision to sell.

Short-Term Purchases

In cases such as the quantitative global dynamic asset allocation (GDAA) models discussed earlier, at pre-determined intervals (normally monthly), the models rotate into those asset classes the mathematical algorithms forecast probably will have an advantage in the coming month. In some periods, the algorithms may forecast cash or bonds as the best place for the whole account. In the next, they may forecast something completely different.

A risk in a short-term purchase strategy is that in any given period the portfolio may hold positions that either lag or drop more sharply than the average asset classes a more conventional portfolio might have held instead.

Short Sales

We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based upon our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, our client realizes a profit.

Margin Transactions

We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

Option Writing

We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from the underlying asset.

The two types of options are calls and puts:

- A "call" gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we determine that the stock will increase substantially before the option expires.
- A "put" gives us, the holder, the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside or downside of a security we have purchased for your portfolio.

We use "covered calls," in which we sell an option on a security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed upon price.

We use a "spreading strategy" in which we purchase two or more option contracts (for example, a call option that you buy and a put option that you sell) for the same underlying

security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

Corporate Stock Option Plan Management Services and Concentrated Stock Management Strategies

Services provided to clients may include Corporate Executive Services in relation to a publicly traded companies Employee Stock Option Plan (ESOP). Services include but not limited to integrate administration of ESOP with Fidelity Corporate Services and Arete Wealth Management so as to assist company in the administration of plan with a leading equity plan management service provider, Fidelity Corporate Services. Further integration would include Arete Wealth Management servicing optionees of said plan in assisting them in managing their equity option benefits, assisting in the exercise of said option benefits, and assisting executives and concentrated holders of corresponding public company stock position in managing concentrated exposure to said stock and risk associated with said concentration, the exercise and/or sale of shares of stock so as to (1) effect portfolio diversification, (2) adhere to any restrictions imposed on said optionee due to position within company (Section 16 insider restrictions, generation restrictions, etc) and (3) to craft selling plans (10b5-1 plans) so as to assist in effecting said diversification while adhering to restrictions imposed on executive.

Managing concentrated stock risk is cornerstone in servicing corporate ESOP clients, but is not limited to such clients. Other standalone clients may be in possession of concentrated positions of stock due to inheritance, accumulation over time, or other reasons. Managing this risk for said “other” holders of concentrated stock is as much a day to day service for these clients as for employees of Corporate ESOP clients. Outlining the risks and rewards of concentrated stock holdings is critical to effective portfolio management and the risks of holding said concentration positions should be discussed in detail with clients, Arete Wealth Advisors so as to craft best plan to manage the risk and reward of said asset as it relates to client specific risk tolerance, near & long term goals of client and overall market risk.

Option Overlay Strategies

Option Overlay strategies are designed to generate income off of either concentrated stock holdings or diversified portfolios. The objective is to attempt to benefit from market volatility or stock specific volatility via the use of either index call & put options (or option spreads) and/or individual equity call & put options (or option spreads). Option overlay strategies are implemented using a taxable portfolio or a taxable concentrated stock position as “collateral” for said overlay positions so as to increase the cash flow that said portfolio or stock position would generate on its own without said overlay approach.

If equity markets remain in a trading range for years to come (as evidences by the S&P 500 index’s performance since the late 90’s to present), overlay strategies have the objective to create additional return for the client during times of largely sideways movement in either domestic or international equity markets. Global economic and geo-political uncertainty should also contribute to market uncertainty and resulting volatility, which could benefit such an overlay strategy in aided the portfolio in creating cash flow and generating excess return.

Important risk considerations must be evaluated when choosing to participate in such an overlay strategy. When volatility reaches unprecedented levels, the volatility can make the potential for cash flow hard to manage due to the large, unexpected swings in the market (both down and up). Other risks include the loss of upside on a portfolio or stock position when the overlay approach involves call selling – this may limit the appreciation potential of the underlying stock or portfolio during times of significant appreciation of said asset over a short period of time. Overlay strategies also provide limited downside protection (limited to call premium collected) and could enhance downside risk if strategy implements put spread selling, which during sharp downward movements in the equity markets can enhance negative returns on an investor's portfolio or concentrated stock position, and could result in either realized losses on portfolio or additional shares of single stock being put to the portfolio. Client should consider all investment risks and also consider tax effects of implementing such strategies before implementation. Consulting your individual tax advisor should be relied on to make appropriate tax determinations.

Risk of Loss

Securities investments are not guaranteed and you may lose your money on your investments. We will work with you to understand your tolerance for risk.

Item 9 – Disciplinary Information

We do not have any legal or other disciplinary items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a client/adviser relationship, or to continue a client/adviser relationship with us.

Item 10 – Other Financial Industry Activities and Affiliations

Registrations and Affiliations

As noted in Item 4, we are owned by our employees and representatives either directly or indirectly through Old Growth Capital, LLC. Old Growth Capital is also the parent of:

- Arete Wealth Management, LLC, an Illinois limited liability company and a FINRA registered broker dealer.
- Arete Insurance Agency, LLC, an Illinois limited liability company.
- Arete Consulting, LLC, an Illinois limited liability company.

Management Personnel

Management personnel of Arete are separately licensed as registered representatives of Arete Wealth Management, LLC, an affiliated broker dealer. These individuals, in their separate

capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While we endeavor at all times to put the interests of clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Recommendation of Third-Party Investment Advisers

As previously disclosed, we recommend the services of various registered investment advisers to our clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special consideration required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

Client should be aware that the receipt of additional compensation by Arete and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. We endeavor, at all times, to put the interest of our clients first. We take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers;
- We disclose to the client, in a separate disclosure document, the compensation we receive in exchange for the client's referral to the selected investment adviser;
- We collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- We conduct periodic due diligence on the selected investment advisers to establish that the advisers are suitable to recommend to our clients;
- We educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to the client.

Note that in the case of asset allocation models developed on a proprietary basis by an Investment Advisor Representative (IAR) of Arete, while there is no referral fee paid to Arete by the individual IAR, any subadvisory fees received by the IAR-as-portfolio-manager from other advisors' clients' are treated as part of that IAR's overall practice revenue, of which Arete retains a share.

Item 11 – Code of Ethics

Code of Ethics

We have adopted a code of ethics that applies to all our supervised persons. Each of them must comply with our code of ethics as a condition to working with us. Our Chief Compliance Officer (our "CCO") administers and enforces our code of ethics.

Our code of ethics requires our supervised persons to:

- comply with applicable federal and state securities laws
- conduct themselves with integrity and act ethically in their dealings with the public, clients and professional associates
- fulfill their duty of loyalty by acting solely in our clients' best interests
- strive to provide long-term client satisfaction
- disclose any conflict of interest
- adhere to our policies limiting the giving or receiving of gifts and business entertainment
- adhere to our policies limiting the giving of political contributions
- report any violation of our compliance manual to our CCO as soon as possible
- submit reports of securities beneficially owned by them and their related persons, and submit reports of securities transactions by them and their related persons, subject to certain permitted exceptions.

We prohibit our supervised persons from investing in initial public offerings, and they must receive the approval of our CCO before they invest in any private placement.

Our clients, or prospective clients, may request a copy of our code of ethics by contacting our CCO, Joseph A. Cook, (847) 658-8366 or the address on the cover page of this brochure.

Participation or Interest in Client Transactions and Personal Trading

We and/or our supervised persons may: (a) buy or sell the same securities we buy or sell for your account; or (b) buy or sell the same securities we buy or sell for your account and engage in the transaction at the same time. As a result, there may be a conflict of interest that arises between you and us (or one of our supervised persons) in the allocation of profitable trades. We address that potential conflict in one of two ways: either we place all trades (including those of clients, supervised persons, and us) as a block and allocate back to each account exactly the same price per share or, where this is not feasible, we allocate trades to you before we allocate them to our supervised persons or to us.

We do not buy or sell securities for your account if we and/or one of our supervised persons have a material financial interest in the issuer or the securities. However, if we have a client whose securities are traded publicly, we and/or our supervised persons may invest client assets in that company's securities during periods when we do not have any material nonpublic information about that company. Transactions in any such securities must be preapproved by our CCO.

Item 12 – Brokerage Practices

For those clients' accounts where we provide on-going money management or investment advice with on-going supervision, we will maintain a limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities will be explained in detail before an advisory contract is executed.

Clearing and Custodial

We primarily use Fidelity Institutional for custody of customer assets and execution of customer transactions. We may use our own broker dealer, Arete Wealth Management, to introduce accounts to National Financial Services, the clearing firm of Fidelity Institutional. Or we may use Fidelity Institutional Wealth Services (IWS) as the introducing broker dealer who also clears through National Financial Services. We, subject to our best execution obligations, may trade outside of Fidelity but this would be very rare. In the selection of introducing broker dealers, we consider all relevant factors including:

- commission rate
- the value of research provided
- execution capabilities
- speed and efficiency
- confidentiality
- familiarity with potential purchasers and sellers

- financial responsibility
- responsiveness

A separate arrangement applies to those accounts participating in one of the global dynamic asset allocation (GDAA) models. For these accounts, TD Ameritrade serves as the custodian. Customer transactions within these accounts are executed either through TD Ameritrade or, more frequently, through a third-party agency execution firm such as Wolverine Execution Services. This arrangement exists because TD Ameritrade and Wolverine Execution Services provide clients with execution cost and efficiency advantages when portfolio changes are more frequent, as is true with the GDAA models.

Item 13 – Review of Accounts

Investment Advisory Services

Client accounts are monitored and reviewed by our compliance department. Client accounts are typically reviewed every quarter. Accounts are reviewed by your local office manager. Reviews may be triggered by material market, economic or political events or by changes in a client's financial situation or portfolio.

Clients will receive a monthly report from their custodian (typically this will be Fidelity Institutional) that detail the client account performance for the month.

We have retained and will compensate Envestnet to provide us with various administrative services that include determining the fair market value of assets held in the account at least quarterly and producing performance reporting for our clients detailing account assets, account transactions, receipt and disbursement of funds, interest and dividends received, and account gain or loss by security as well as for the total account.

Item 14 – Client Referrals and Other Compensation

Other than the compensation described in Item 5, we do not receive an economic benefit from anyone other than our clients.

Item 15 – Custody

We do not provide custodial services to our clients. Client assets are held at banks or registered broker dealers that are "qualified custodians." Clients will receive statements directly from the qualified custodian at least quarterly. We urge clients to carefully review those statements and compare custodial records to the reports, if any, that we may provide. The information in our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities.

Item 16 – Investment Discretion

We accept discretion to manage the assets in the client's account. We observe investment limitations and restrictions that are outlined in each investment advisory agreement.

Item 17 – Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions.

Item 18 – Financial Information

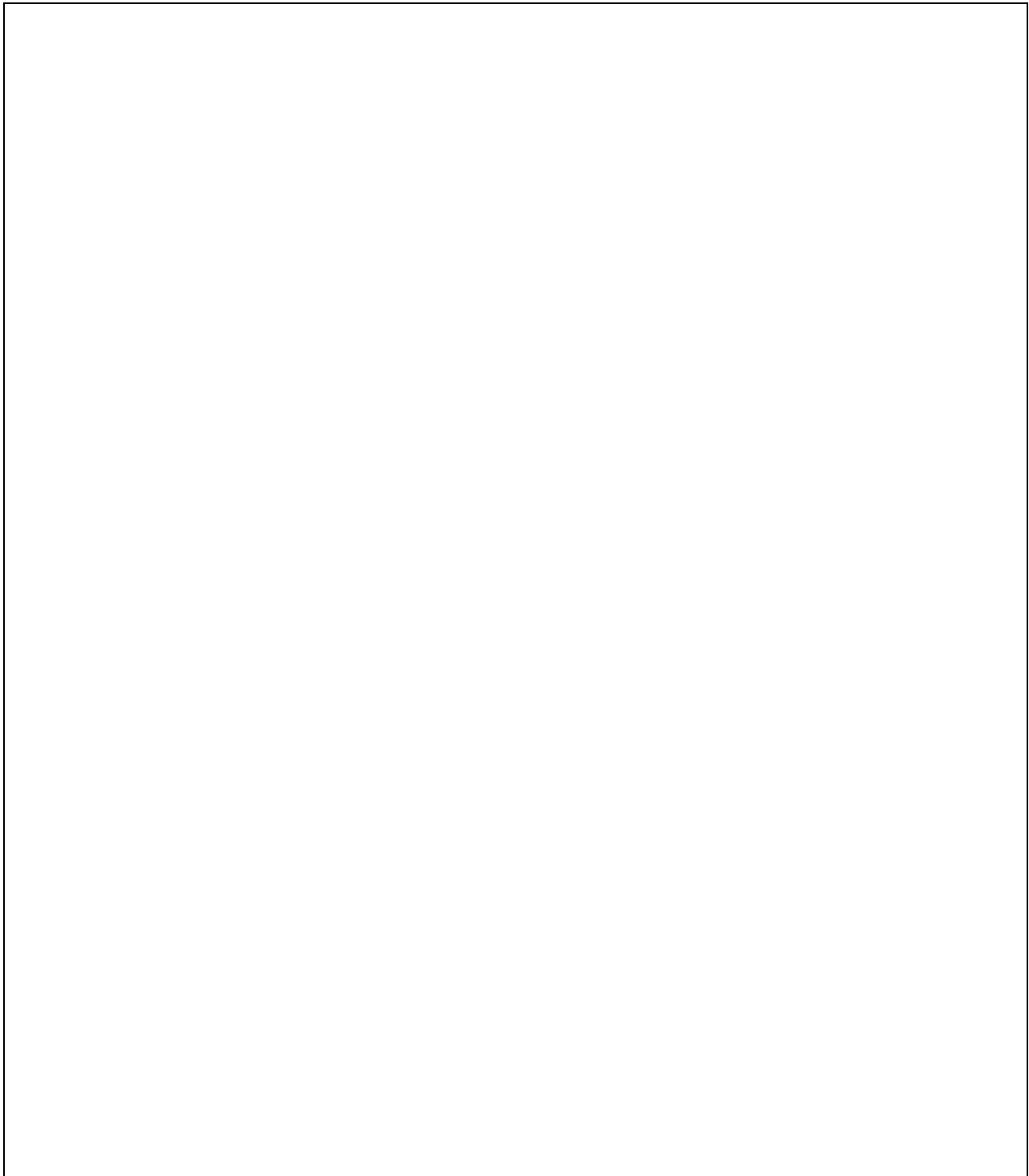
Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonably likely to impair our ability to meet our contractual obligations. We have no additional financial circumstances to report.

Arete has not been the subject of a bankruptcy petition at any time during the past ten years.

Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure*

Item 1 Cover Page



Item 2 Material Changes

Item 2: Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure is a new document prepared according to the SEC’s new requirements and rules. As such, the document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will also provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting your personal investment advisor representative or our office at 847-658-8366.

Additional information about Arete Wealth Advisors, LLC. (hereinafter referred to as “AWA”, “us”, “we”, “our” or the “Firm”) is also available via the SEC’s web site at www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with AWA who are registered, or are required to be registered, as investment adviser representatives of AWA.

Item 3 Table of Contents

Arete Wealth Advisors, LLC

September 2012

TABLE OF CONTENTS

Item 1: Cover Page	1
Item 2: Material Changes	2
Item 3: Table of Contents	3
Item 4: Services, Fees and Compensation	4
Item 5: Account Requirements and Types of Clients	5
Item 6: Portfolio Manager Selection and Evaluation	6
Item 7: Client Information Provided to Portfolio Managers	6
Item 8: Client Contact with Portfolio Managers	6
Item 9: Additional Information	6
Item 10: Requirements for State-Registered Advisers	7

Item 4 Services, Fees and Compensation

Item 4: Services, Fees and Compensation

As part of its management services, AWA may choose or recommend mutual funds on behalf of Client accounts. Where AWA recommends mutual funds that have associated transaction costs, AWA will pay applicable transaction costs. Where AWA recommends exchange traded funds that have associated transaction costs, AWA will not pay the applicable transaction costs. Participants in this program (the “Program”) pay a single “wrap fee” (“Program Fee”) that includes the management fee and applicable transaction costs.

Equity and Debt Portfolio Management

AWA actively engages in the separate management of diversified portfolios consisting of equities, fixed income and cash equivalent securities on behalf of its clients. AWA shall make recommendations with respect to these securities (equities, fixed income and cash equivalent securities); participants may pay the applicable transaction costs in addition to the management fee.

In addition to the management fees, from time to time during the management of its various portfolios AWA may pass on transactional and operational costs to its clients. Transactional and operational costs may include but are not limited to transaction fees such as ticket charges, reorganization fees, regulatory fees, etc.

“Qualified” clients, as the term is defined by Rule 205-3 of the Investment Advisers Act of 1940 (“Qualified Clients”), may enter into arrangements where performance-based fees are assessed for advisory services offered by AWA. All clients must have at least \$750,000 in assets under management with AWA or must certify that such client has a net worth of at least \$1,500,000 at the time of entering into the performance-based fee agreement.

Client Investment Process

AWA provides discretionary and non-discretionary portfolio management on a continuous basis. The investment advice provided by AWA is variable depending upon the desires, objectives, and other preferences of the client. Each individual investment portfolio will be developed within the context of, but not limited to, the client’s total net worth, acceptable degree of risk tolerance, and particular investment needs, goals, objectives, and time horizon. Such advice will typically involve providing a variety of services and may include investment buy/sell recommendations, asset allocation, and the selection of mutual funds for the client’s account.

Account Reporting

Client accounts are monitored on a continuous basis. Advisors assigned to the account, or another qualified representative of AWA (“Portfolio Manager”) will conduct all reviews. Advisory accounts are reviewed on at least a quarterly basis, with no specific number of accounts assigned to each reviewer.

The custodian/broker typically sends clients a confirmation of every securities transaction and a monthly or quarterly brokerage statement reflecting all transactions in the client’s account held by the custodian/broker. AWA may provide additional written reports to clients on a quarterly basis. Such reports may include a detailed holdings report, transaction reports, and performance reviews.

Fees and Expenses of Programs

On an annualized basis, AWA’s fee for portfolio management is generally equal to 1.00% of assets under management, payable monthly in arrears. However, in certain cases, other fees may be negotiated. Typically, fixed income and annuity portfolios will be charged 0.50% on an annualized basis. The first payment is due upon the end of the execution of the Investment Advisory Agreement (“Agreement”) and will be assessed pro-rata in the event the client agreement is executed at any time other than the first day of the calendar month.

Subsequent payments are due and will be assessed on the first day of each calendar month based on the value of the Account assets under management as of the close of business on the last business day of the preceding month. The exact management fee charged to the account is set forth in the Agreement. Upon

entering into the Agreement, the Client opens a brokerage account with an independent and unaffiliated brokerage firm, such as TD AMERITRADE Institutional Services, a division of TD AMERITRADE Investor Services, Inc., member FINRA/SIPC ("TD AMERITRADE"), among others. The brokerage firm provides advisory clients with securities custody and execution services.

Either AWA will invoice the client directly for the advisory fees or the qualified custodian holding the client's funds and securities will debit the client account directly for the advisory fees. The fees deducted from a client's account are transactions that display on the client's brokerage statement. Fees will be payable by liquidating a portion of the account assets if money market funds or a free credit balance are not available. Liquidation may subsequently affect the relative balance of an account. Clients may make additions to the account at any time. Additionally, clients may withdraw account assets, subject to the usual and customary securities settlement procedures. No fee adjustments are made for partial withdrawals or deposits within a billing period.

Mutual Fund Charges

All fees paid to AWA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. Fees charged by mutual funds will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, the client may pay an initial or deferred sales charge. Where AWA recommends mutual funds that have associated transaction costs, AWA will pay the transaction cost.

Structured Product Charges

Advisory representatives of AWA may offer advice to clients regarding structured products. In addition to the annual fee prescribed in the Investment Advisory Agreement, investments in structured products may also be subject to an additional one-time custodial transaction fee of approximately \$25.00 which will be charged to the client.

Additional Fees and Expenses

In addition to the aforementioned, there may be other costs assessed which are not included in the Program Fee, such as national securities exchange fees; charges for transactions with respect to assets not executed through the custodian; costs associated with exchanging currencies; wire transfer fees; or other fees required by law. The Program may cost the client more or less than purchasing such services separately. The client should consider that, depending upon the level of the Program Fee charged, the amount of portfolio activity in the client's account, the value of services that are provided under the Program, and other factors, the Program Fee may or may not exceed the aggregate cost of such services if they were to be provided separately. In addition to the management fees described herein, from time to time during the management of its various portfolios, AWA may pass on transactional and operational costs to its clients. Transactional and operational costs may include but are not limited to transaction fees such ticket charges, reorganization fees, regulatory fees, etc.

Item 5 Account Requirements and Types of *Clients*

AWA does not impose a minimum account size in order to open or maintain a wrap fee account.
AWA generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Item 6 Portfolio Manager Selection and Evaluation

Portfolio Managers who are involved in determining or giving investment advice to clients must meet all examination or experience requirements of the states and/or jurisdictions in which the individual provides advisory services. Applicable educational background and business experience in the fields of investment, risk management, taxation, pension planning, and/or estate planning is encouraged.

Item 7 *Client* Information Provided to Portfolio Managers

AWA provides discretionary and non-discretionary portfolio management on a continuous basis. The investment advice provided by AWA depends upon the desires, objectives, risk tolerance, and other preferences of the client. Each Portfolio Manager will provide investment advice within the context of, but not limited to, the client's total net worth, acceptable degree of risk tolerance, and particular investment needs, goals, objectives, and time horizon. Such advice will typically involve providing a variety of services and may include investment buy/sell recommendations, asset allocation, and the selection of mutual funds for the client's account.

Certain strategies employed by the Firm may incur more risk than others may incur. The risk involved with these specific strategies are generally evaluated by the client and the Portfolio Manager prior to any investment being made in order to ensure that the client's goals, objectives, and financial situation is such that he or she is able to bear the risks inherent to these investments

Item 8 *Client* Contact with Portfolio Managers

Client contact with Portfolio Managers will vary widely depending on the number of clients each Portfolio Manager is involved with within their respective practice and/or the number of accounts over which the Portfolio Manager has discretion. Generally, client accounts are reviewed periodically or in response to client requests. Generally, clients will not participate in the review. Arrangements for formal reviews are determined by AWA on a case-by-case basis. Additional reviews may be provided based on a significant change in the market, the client's financial situation, significant additions to or withdrawals from the account, transactions and significant changes in asset allocations, or at AWA or the client's request.

Item 9 Additional Information

Potential Conflicts of Interest

Certain associated persons of AWA are licensed to sell securities through Arete Wealth Management, LLC (“AWM”), an affiliated securities broker/dealer registered with the Securities and Exchange Commission and the Financial Regulatory Authority (FINRA). AWA and AWM are affiliated through common control and ownership. Such associated persons are involved in the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds. In addition, certain associated persons are licensed to sell various insurance products. Because of such sales activities, associated persons will receive additional compensation in the form of commissions, including 12(b)-1 fees for the sale of investment company products.

All clients are always advised that they shall have total freedom to effect any and all securities transactions with any broker/dealer of their choosing. Because of such sales activity, there is a potential conflict of interest.

Code of Ethics

As these situations may represent a conflict of interest, AWA has established the following restrictions in order to ensure its fiduciary responsibilities:

AWA emphasizes the unrestricted right of the client to specify investment objectives, guidelines, and/or conditions on the overall management of their account.

Associated persons or their immediate family members shall not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by reason of the associated person’s employment, unless the information is also available to the investing public on reasonable inquiry. No associated person of the firm shall prefer his or her own interest to that of the advisory client.

AWA and its associated persons generally may not purchase and sell securities being considered for, or held by client accounts without pre-clearance of AWA’s Compliance Officer. Moreover, investment personnel are subject to a 10-day blackout period from trading in such securities.

AWA and its employees may not participate in private placements or initial public offerings (IPOs) without preclearance from the firm's Compliance Officer.

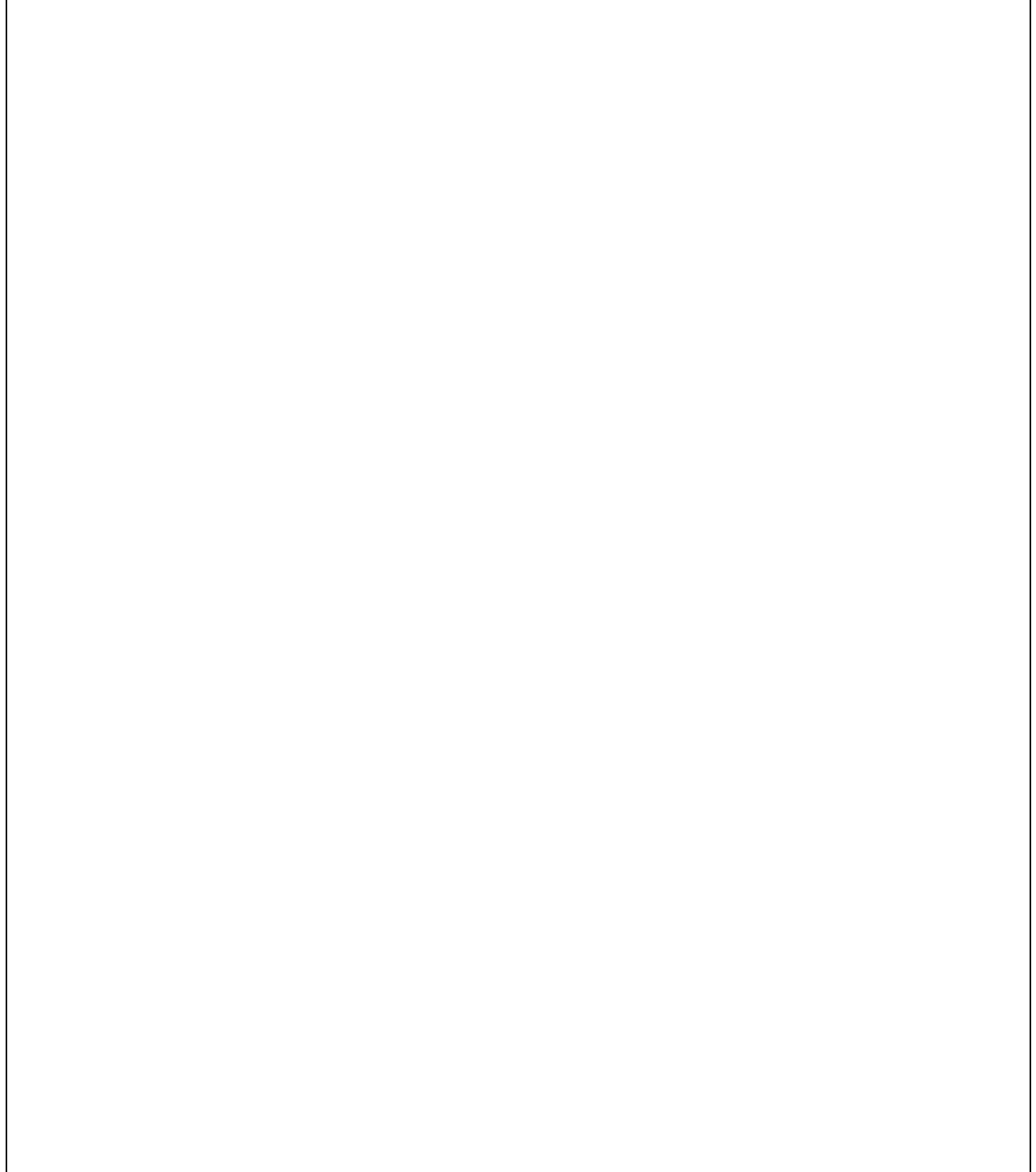
AWA requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

Records will be maintained of all securities bought or sold by AWA, associated persons of AWA, and related entities. A qualified representative of AWA will review these records on a regular basis.

Any individual not in observance of the above may be subject to termination.

Participation or Interest in Client Transactions

AWA or individuals associated with the firm may buy or sell – for their personal account(s) - investment products identical to those recommended to clients. It is the expressed policy of AWA that no person employed by the firm may purchase or sell any security prior to transactions being implemented for an advisory account, therefore preventing such employees from benefiting from transactions placed on behalf of advisory accounts.



Item 10 Requirements for State-Registered Advisers

Arete Wealth Advisors is registered with the Securities and Exchange Commission rather than a state securities authority. Therefore, this item is not applicable.