

Globe Wealth Advisors  
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This Brochure provides information about the qualifications and business practices of Globe Wealth Advisors. If you have any questions about the contents of this Brochure, please contact us at 847-267-0100. 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 Globe Wealth Advisors also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

The only material change to this brochure is the addition of Katherine M. Buehler as a member of the Investment Committee for the year ended December 31, 2011 under Item 8.

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#### **Item 4 – Advisory Business**

Initially registered with the Securities and Exchange Commission (SEC) in April of 2009, Globe Wealth Advisors (GWA) manages the financial affairs and investment assets of the founding family and related parties. The majority of GWA's clients consist of individuals and trusts. Globe Corporation, founded in 1901, is the parent company of GWA. Both Globe Corporation and GWA are private companies.

GWA has created and serves as Managing Member of three private investment funds (Investment Funds) as the primary investment vehicles for its clients. The Investment Funds are organized as private investment partnerships or limited liability companies and are exempt from registration under the Investment Company Act pursuant to Sections 3(c)(1). GWA primarily offers investments in the following categories:

- Large, Mid and Small Capitalization Domestic Equities
- International Equities
- Fixed Income
- Income Producing Securities
- Alternative Assets
- Private Equity Investments

The decision to manage assets through the Investment Funds stems from our belief that a fund based approach is the most efficient means of delivering investment diversification and asset allocation to our clients. GWA also invests client assets outside of the Investment Funds if in the best interest of the client.

As of December 31, 2011, discretionary assets under management were \$530,000,000 and non-discretionary assets were zero.

#### **Item 5 – Fees and Compensation**

GWA reserves the right to negotiate individual client fees according to services rendered, amount of assets under management, or any special circumstances attendant to the servicing of the client. If GWA serves as investment adviser for less than an entire calendar quarter, its compensation will be prorated for the period of the calendar quarter for which it serves. Clients may terminate investment advisory services upon ninety (90) days written notice to GWA.

Fees are charged and collected directly from the Client's investment account. Clients receive quarterly reports from GWA reflecting the deduction of the advisory fee. If the Account does not

contain sufficient funds to pay advisory fees, GWA has limited authority to sell or redeem securities in sufficient amounts to pay said fees.

GWA's annual fee for the discretionary management of assets for related parties is 0.40% (40 basis points per annum) of assets under management. Fees are billed in arrears and calculated using the market value of the assets on the last day of the calendar quarter. Therefore, March 31, June 30, September 30, and December 31 are considered billing calculation dates.

As Managing Member of the Investment Funds managed for related parties, GWA contracts with unrelated parties for certain administrative and professional services. These services include custody, investment management, accounting, audit and legal fees. Fees for these services are passed along to the Investment Funds at GWA's cost. Additionally, clients pay management fees to the manager of any mutual fund they purchase, which are disclosed in a fund's prospectus. Such fees are not shared with GWA and are compensation to the fund manager. GWA uses only no-load funds or invests in sufficient scale to avoid front-end loads or sales charges.

As General Partner of the Investment Funds managed for the founding family, GWA is not entitled to a separate fee for its services rendered to the Partnership or reimbursement for expenses it bears on behalf of the Partnership. The General Partner is entitled only to a Profits Interest. The Profits Interest is cumulative and calculated based on the annual profits of each Investment Fund. There are various percentages of profit allocated to the General Partner based on various levels of annual partnership profit. The formula and calculation methodology for the Profits Interest is described within the terms of the partnership agreement for each pertinent Investment Fund.

#### **Item 6 – Performance Based Fees**

GWA receives performance based fees for two of the partnerships. The Profits Interest is cumulative and calculated based on the annual profits of each Investment Fund. The formula and calculation methodology for the Profits Interest is described within the terms of the pertinent partnership agreements.

#### **Item 7 – Types of Clients**

GWA provides portfolio management services to a select group of ultra high net worth individuals and trusts. In all cases the clients of GWA are members of the founding family and related parties. Any account minimums are referenced in the pertinent partnership agreements.

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

GWA provides individualized investment advisory services to its clients. In a process involving consultation and assessment of the unique investment objectives and constraints of the client, GWA develops a strategic asset allocation based on the identified investment objectives and

constraints of the client. This assessment may include analysis of the client's investment time horizon, projected income/expenses, liquidity needs, investment objectives, investment experience and risk tolerance.

GWA's investment philosophy is to allocate client assets, based on the client's strategic asset allocation with investment management firms the Investment Committee believes have the potential to deliver positive total return over an extended period of time.

Through its Investment Committee (IC), GWA evaluates, selects and monitors outside investment advisers for various asset classes. For the year ended December 31, 2011, the members of the Investment Committee were Bert A. Getz, Jr., Chairman, Daniel R. Palmquist, George Getz, Michael J. Olsen and Katherine M. Buehler. The Investment Committee meets approximately eight times per year.

The Investment Committee evaluates potential investment advisers based on a combination of quantitative and qualitative criteria.

GWA evaluates quantitative criteria including:

- Sufficient performance history to gauge the investment team and process
- Investment performance as compared to standard industry benchmarks for a reasonable period of time
- Consistent value-added results relative to similar managers and market indices
- Reasonable fees relative to other alternatives in the investment category

GWA evaluates qualitative criteria for managers or investment vehicles including:

- Relevant historical performance record
- Organizational stability and ownership
- Clarity of investment process
- Consistent adherence to its stated investment style
- Incentives consistent with clients' interests
- Other clients invested with the firm

GWA primarily offers investment in the following categories. A short summary of the risk is included with each category.

- Large, Mid and Small Capitalization Equities

The Large, Mid and Small Capitalization equities that GWA holds in its portfolios are all publicly traded in the U.S. and are priced daily. Equity securities face geopolitical, macroeconomic, sector and company specific risks among others. Equity stocks of small and mid-cap companies carry a greater risk and more volatility than equity stocks of larger, more established companies.

- International Equities

Foreign Equities, which are the non-U.S. component of International Equities, are more volatile, harder to price and less liquid than U.S. securities. Equity securities face geopolitical, macroeconomic, sector and company specific risks among others. Equity stocks of small and mid-cap companies carry a greater risk and more volatility than equity stocks of larger, more established companies. These risks may be greater with emerging market equities in contrast to developed markets. GWA has an allocation to both developed and emerging international equity markets.

- Fixed Income

The value of fixed-income securities that may be held by GWA will change as the general levels of interest rates fluctuate. When interest rates decline, the value of fixed-income securities can be expected to rise. Conversely, when interest rates rise, the value of such securities can be expected to decline. This is commonly known as interest rate risk and affects all bond holders.

- Income Producing Securities

Income Producing Securities may be publicly traded or private securities that are expected to provide a high level of current taxable income. Market volatility and interest rate risk may affect the performance of these securities. The private securities may also have liquidity restrictions and may employ leverage.

- Alternative Assets

An investment in alternative asset classes involves significant risks that may not be associated with other investment options. Alternative Assets are investments in Hedge Funds and similar vehicles designed to produce absolute returns comparable to domestic equities with less volatility and independent of market direction. Alternative Investments may have liquidity restrictions and may use leverage. Alternative Asset investments are subject to various risk factors including market, credit and industry risk.

- Private Equity Investments

Private Equity investments are long term investments with private companies in various market sectors with a holding period of ten years or more. Capital is locked once it is committed by written instrument to the fund general partner. Private Equity investments are subject to various risk factors including market, credit, industry, currency and liquidity risk. Market risk represents the potential loss in value of financial instruments caused by movements in market variables. Other risks affecting these investments include, but are not limited to, increasing competition, rapid changes in technology and

changes in economic conditions. These risk factors could have a material effect on the ultimate realizable value of any private equity investment.

There can be no assurance that investments will be able to achieve their investment objective or that investors will receive a return of their capital. Investing in any security involves risk of loss that clients should be prepared to bear.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events material to an independent evaluation of GWA or the integrity of GWA's management. GWA, its officers and employees have no disciplinary items to disclose.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

The principal business of the principal executive officers of GWA is their respective roles with Globe Corporation. GWA is the Managing Member or General Partner for the Investment Funds.

#### **Item 11 – Code of Ethics**

GWA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. All supervised persons at GWA must acknowledge the terms of the Code of Ethics annually or as amended. GWA's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Katherine M. Buehler at 847-267-0100.

#### **Item 12 – Brokerage Practices**

Each client signs an Investment Advisory Contract which authorizes GWA to supervise and direct the purchase and sale of assets for the client's account on a discretionary basis; that is, without prior consultation with the client. GWA normally determines, through its master custodian and hired outside advisers, specific investment holdings, the total amount of purchases and sales, and the commission rates, if any, paid to affect the transactions.

GWA has no soft dollar agreements and receives no compensation for its investment advisory services outside of the fees detailed within a client's individual fee agreement.

#### **Item 13 – Review of Accounts**

The GWA Investment Committee reviews the accounts on a periodic, as needed basis. Factors contributing to or triggering more frequent reviews include: increase/decrease in assets allocated to a specific investment manager, a significant liquidity event, notification by client of changes to her/his investment objectives or constraints, a change in the client's investment time horizon,



projected income/expenses, liquidity needs, investment objectives, investment experience and risk tolerance.

Clients receive quarterly statements from GWA and a copy of the pertinent Investment Fund annual audit.

#### **Item 14 – Client Referrals and Other Compensation**

GWA does not provide compensation for client referrals.

#### **Item 15 – Custody**

GWA has engaged the services of a The Northern Trust Company as custodian of the assets managed by the firm. Further, as general manager of the Investment Funds, GWA has custody of client funds and securities as defined in the Investment Advisers Act of 1940. To meet the custody related obligations under the Investment Advisers Act of 1940, GWA has engaged McGladrey & Pullen, LLP to perform annual financial audits the three Investment Funds. Clients receive a copy of the audit report annually and may request additional copies by contacting Katherine M. Buehler at 847-267-0100.

#### **Item 16 – Investment Discretion**

Each client signs an Investment Advisory Contract which gives GWA the authority to supervise and direct the purchase and sale of assets for a client's account on a discretionary basis; that is, without prior consultation with the client. In all cases, discretion is exercised in a manner consistent with the Statement of Investment Policy for the particular client.

#### **Item 17 – Voting Client Securities**

GWA delegates the voting of shares to the various investment advisers it engages to manage client assets. However, if a proxy vote arises for any of the limited number of securities managed internally, it is the policy of GWA to vote proxies in alignment with the Board of Directors of the issuer. However, in rare cases, GWA may deem it necessary to vote contrary to corporate management when it is deemed in the best long-term interest of the client. If a conflict of interest arises, it is the policy of GWA to bring the conflict to the attention of the Investment Committee for further consideration. GWA maintains a record of all such situations in its books and record.

#### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the firm's financial condition. GWA has no financial

commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.