

# Disclosure Brochure

May 14, 2012

## **World Tree Financial, LLC**

*a Registered Investment Adviser*

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Lafayette, LA 70506

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This brochure provides information about the qualifications and business practices of World Tree Financial, LLC (herein after "World Tree"). If you have any questions about the contents of this brochure, please contact Priscilla Gilmore at (337) 504-2918. 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 World Tree Financial, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

World Tree Financial, LLC is a state registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

This section of the brochure discusses only the material changes that have occurred since World Tree's last annual update dated March 17, 2011. World Tree does not have any material changes to disclose.

## Item 3. Table of Contents

### Firm Disclosure Brochure

Item 1. Cover Page .....	i
Item 2. Material Changes .....	ii
Item 3. Table of Contents .....	iii
Item 4. Advisory Business .....	4
Item 5. Fees and Compensation .....	5
Item 6. Performance-Based Fees and Side-by-Side Management .....	7
Item 7. Types of Clients .....	7
Item 8. Methods of Analysis, Investment Strategies and Risk of Loss .....	8
Item 9. Disciplinary Information .....	10
Item 10. Other Financial Industry Activities and Affiliations .....	10
Item 11. Code of Ethics .....	10
Item 12. Brokerage Practices .....	11
Item 13. Review of Accounts .....	14
Item 14. Client Referrals and Other Compensation .....	14
Item 15. Custody .....	14
Item 16. Investment Discretion .....	15
Item 17. Voting Client Securities .....	15
Item 18. Financial Information .....	15

## Item 4. Advisory Business

World Tree has been in business since November 5, 2009. Wesley Perkins and Priscilla Gilmore are the principal owners of World Tree.

World Tree is an investment adviser providing investment management services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities. Prior to engaging World Tree to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with World Tree setting forth the terms and conditions under which World Tree renders its services (collectively the "*Agreement*"). Neither World Tree nor the client may assign the *Agreement* without the consent of the other party. A transaction that does not result in a change of actual control or management of World Tree is not considered an assignment.

World Tree has \$48,031,847 of assets under management as of January 17, 2012. \$43,932,978 of these assets are managed on a discretionary basis and \$3,098,868 are managed on a non-discretionary basis.

This disclosure brochure describes the business of World Tree. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of World Tree's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on World Tree's behalf and is subject to World Tree's supervision or control.

### Investment Management Services

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Clients can engage World Tree to manage all or a portion of their assets on a discretionary or non-discretionary basis.

World Tree primarily allocates clients' investment management assets on a discretionary and/or a non-discretionary basis among mutual funds, exchange traded funds ("ETFs"), individual debt and equity securities and/or options in accordance with the investment objectives of the client. World Tree also provides advice about any type of investment held in clients' portfolios.

World Tree also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, and/or their individual employer-sponsored retirement plans. In so doing, World Tree either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

World Tree tailors its advisory services to the individual needs of clients. World Tree ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

# World Tree Financial, LLC Disclosure Brochure

Clients are advised to promptly notify World Tree if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon World Tree's management services.

## Additions and Withdrawals to Accounts

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Clients may make additions to and withdrawals from their account at any time, subject to World Tree's right to terminate an account. Clients may withdraw account assets on notice to World Tree, subject to the usual and customary securities settlement procedures. However, World Tree designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

## Item 5. Fees and Compensation

World Tree offers its services on a fee basis based upon assets under management. Alternatively, certain of World Tree's *Supervised Persons* may offer securities brokerage services under a commission arrangement, which may be used to offset the Registrant's fees (as discussed below).

### Investment Management Fee

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In the event the client determines to engage World Tree to provide investment management services, World Tree does so on a fee basis. World Tree charges an annual fee based upon a percentage of the market value of the assets being managed by World Tree. World Tree's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which is incurred by the client. However, World Tree does not receive any portion of these commissions, fees, and costs. World Tree's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by World Tree on the last day of the previous quarter. The annual fee varies (between 0.50% and 1.50%) depending upon the market value of the assets under management and the type of investment management services to be rendered, as follows:

<u>PORTFOLIO VALUE</u>	<u>ANNUAL FEE</u>
First \$250,000	1.50%
Next \$250,000	1.15%
Next \$500,000	0.75%
above \$1,000,000	0.50%

World Tree, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

## **Fees Charged by Financial Institutions**

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As further discussed in response to Item 12 (below), World Tree generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") for investment management accounts.

World Tree may only implement its investment management recommendations after the client has arranged for and furnished World Tree with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Schwab*, any other broker-dealer recommended by World Tree, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to World Tree's fee.

World Tree's *Agreement* and the separate agreement with any *Financial Institutions* may authorize World Tree to debit the client's account for the amount of World Tree's fee and to directly remit that management fee to World Tree. Any *Financial Institutions* recommended by World Tree have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to World Tree.

## **Fees for Management During Partial Quarters of Service**

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For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis.

The *Agreement* between World Tree and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. World Tree's fees shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that World Tree reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. World Tree may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

## Commissions or Sales Charges for Recommendations of Securities

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Clients can engage certain persons associated with World Tree (but not World Tree) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with World Tree. Under this arrangement, clients may implement securities transactions through certain of World Tree's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), an SEC registered broker-dealer and member of FINRA. PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, certain of World Tree's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

While World Tree does not sell such securities products to its investment advisory clients, the World Tree does permit its *Supervised Persons*, in their individual capacities as registered representatives of PKS, to sell securities products to its investment advisory clients.

A conflict of interest exists to the extent that World Tree recommends the purchase of securities where World Tree's *Supervised Persons* receive commissions or other additional compensation as a result of World Tree's recommendations. World Tree has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that World Tree, in its sole discretion deems appropriate), World Tree shall provide its investment advisory services on a fee-offset basis. In this scenario, World Tree may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by World Tree's *Supervised Persons* in their individual capacities as registered representatives of PKS.

World Tree's *Supervised Persons* currently devote approximately four percent (4%) of their time to commission securities brokerage business.

## Item 6. Performance-Based Fees and Side-by-Side Management

World Tree does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

World Tree provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

World Tree's primary methods of analysis are fundamental and technical analysis.

World Tree relies on various market analyses, research publications, general investment knowledge, and experience in managing its model portfolios. World Tree selects securities for the portfolios based on asset allocation decisions catered to each client's specific needs, rather than speculative investment management. Specifically, World Tree will strive to determine the appropriate mix of equity funds, bond funds, EFTs, and money market instruments that offer the best combination of potential return while minimizing risk. World Tree's goal is to achieve the clients' financial objectives with strong consideration for their risk tolerance. At any given time, World Tree will overweight those sectors it determines are best for the clients and their respective portfolio allocation.

World Tree's primary method of analysis is generally considered "fundamental analysis." Fundamental analysis involves the financial condition and competitive position of a company. World Tree will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Specifically, when selecting the appropriate funds to represent each segment of the models, World Tree will run a series of quarterly screens. Before investing, World Tree requires all equity funds to have surpassed their competitors' return in the past three (3) and five (5) trailing years, while carrying either a four (4) or five (5) star Morningstar rating. In addition, World Tree will only select those funds that have below average risk in their respective categories, and have had a consistent manager for the past five (5) consecutive years. The funds are then evaluated using criteria such as their potential one (1) year, three (3) year, and five (5) year return among their category, beta, alpha, standard deviation, portfolio turnover, and expense ratio. World Tree also scores the funds based on their quartile rank for all available time frames. The model's bond funds and ETFs also undergo a series of similar rigorous tests before any are chosen for the models.

Furthermore, World Tree has assigned specific allocation ranges to each of its models based on the risk associated with each segment of the given model. World Tree will move within the respective ranges depending on the investing environment, the client's risk tolerance, and the client's time horizon. While World Tree has the ability to change the funds and allocations at any time, World Tree uses a computer-based rebalancing tool, which keeps the models rebalanced at least once every thirteen (13) months.

In addition to the methods described above, World Tree may also utilize "technical analysis." Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to



# World Tree Financial, LLC Disclosure Brochure

predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that World Tree will be able to accurately predict such a reoccurrence.

Below are descriptions of the risk factors that are inherent in the various investment products that World Tree recommends.

## **Mutual Funds and Exchange Traded Funds (ETFs)**

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An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual funds and ETFs are subject to secondary market trading risks. Shares of mutual funds and ETFs will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual funds' and ETFs' exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund or ETF may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the mutual fund or ETF at. The per share NAV of a mutual fund or ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the mutual fund's or ETF's holdings. The trading prices of a mutual fund's or ETF's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's ETF's shares trading at a premium or discount to NAV.

## **Options**

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World Tree may occasionally recommend the use of options for certain clients. Options allow World Tree to hedge (limit) certain losses on positions clients hold. The option allows World Tree to buy or sell a security at a certain price (not the current market price). Clients pay a fee for the option. If the option falls outside the money (i.e., the market price of the security does not justify purchasing/selling the security at the option price), the client will lose the fee for that option.

## **Management Through Similarly Managed Accounts**

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World Tree may manage portfolios by allocating portfolio assets among various mutual funds on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, World Tree buys, sells, exchanges and/or transfers shares of mutual funds based upon the *investment strategy*.

World Tree's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to World Tree's

clients may be limited. As further discussed in response to Item 12B (below), World Tree allocates investment opportunities among its clients on a fair and equitable basis.

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

### Item 9. Disciplinary Information

World Tree is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. World Tree does not have any required disclosures to this Item.

### Item 10. Other Financial Industry Activities and Affiliations

World Tree is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons.

#### Registered Representatives of Broker Dealer

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As discussed above in Item 5, certain of World Tree's *Supervised Persons* are registered representatives of PKS.

#### Receipt of Insurance Commission

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Certain of World Tree's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While World Tree does not sell such insurance products to its investment advisory clients, World Tree does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that World Tree recommends the purchase of insurance products where World Tree's *Supervised Persons* receive insurance commissions or other additional compensation.

### Item 11. Code of Ethics

World Tree and persons associated with World Tree ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with World Tree's policies and procedures.

World Tree has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Advisers Act, its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by World Tree or any of its associated persons. The *Code of Ethics* also requires that certain of World Tree's personnel (called

"Access Persons") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in World Tree's *Code of Ethics*, none of World Tree's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of World Tree's clients.

When World Tree is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when World Tree is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact World Tree to request a copy of its *Code of Ethics*.

### Item 12. Brokerage Practices

As discussed above, in Item 5, World Tree shall generally recommend that clients utilize the brokerage and clearing services of *Schwab*.

Factors which World Tree considers in recommending *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* enables World Tree to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by World Tree's clients comply with World Tree's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where World Tree determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. World Tree seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions. World Tree periodically and systematically reviews its policies

## World Tree Financial, LLC Disclosure Brochure

and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct World Tree in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and World Tree will not seek better execution services or prices from other *Financial Institutions* or be able to “batch” client transactions for execution through other *Financial Institutions* with orders for other accounts managed by World Tree (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, World Tree may decline a client’s request to direct brokerage if, in World Tree’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless World Tree decides to purchase or sell the same securities for several clients at approximately the same time. World Tree may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among World Tree’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among World Tree’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that World Tree determines to aggregate client orders for the purchase or sale of securities, including securities in which World Tree’s *Supervised Persons* may invest, World Tree shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. World Tree shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that World Tree determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, World Tree may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of

an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist World Tree in its investment decision-making process. Such research generally will be used to service all of World Tree's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because World Tree does not have to produce or pay for the products or services.

### **Commissions or Sales Charges for Recommendations of Securities**

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As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *PKS*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *PKS* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *PKS* unless they first secure written consent from *PKS* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKS*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKS* under *PKS*'s internal supervisory policies. World Tree is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

### **Software and Support Provided by Financial Institutions**

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World Tree may receive from *Schwab*, without cost to World Tree, computer software and related systems support, which allow World Tree to better monitor client accounts maintained at *Schwab*. World Tree may receive the software and related support without cost because World Tree renders investment management services to clients that maintain assets at *Schwab*. The software and related systems support may benefit World Tree, but not its clients directly. In fulfilling its duties to its clients, World Tree endeavors at all times to put the interests of its clients first. Clients should be aware, however, that World Tree's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence World Tree's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, World Tree may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client

accounts; and access to an electronic communication network for client order entry and account information.

### Item 13. Review of Accounts

For those clients to whom World Tree provides investment management services, World Tree monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. Such reviews are conducted by one of World Tree's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with World Tree and to keep World Tree informed of any changes thereto. World Tree shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

### Item 14. Client Referrals and Other Compensation

World Tree is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, World Tree is required to disclose any direct or indirect compensation that it provides for client referrals.

If a client is introduced to World Tree by either an unaffiliated or an affiliated solicitor, World Tree may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from World Tree's investment management fee, and does not result in any additional charge to the client. If the client is introduced to World Tree by an unaffiliated solicitor, the solicitor provides the client with a copy of World Tree's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of World Tree discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of World Tree's written disclosure brochure at the time of the solicitation.

### Item 15. Custody

World Tree's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize World Tree through such *Financial Institution* to debit the client's account for the amount of World Tree's fee and to directly remit that management fee to World Tree in accordance with applicable custody rules.

The *Financial Institutions* recommended by World Tree have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management

fees paid directly to World Tree. Clients should carefully review the statements sent directly by the *Financial Institutions*.

### Item 16. Investment Discretion

World Tree may be given the authority to exercise discretion on behalf of clients. World Tree is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. World Tree is given this authority through a power-of-attorney included in the agreement between World Tree and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). World Tree takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

### Item 17. Voting Client Securities

World Tree is required to disclose if it accepts authority to vote client securities. World Tree does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions* and may contact World Tree with any questions.

### Item 18. Financial Information

World Tree does not require or solicit the prepayment of more than \$500 in fees six months or more in advance. In addition, World Tree is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. World Tree has no disclosures pursuant to this Item

### Item 19. Requirements for State Registered Investment Advisors

#### Principal Executive Officers and Management Persons

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Below is the formal education and business background of each of World Tree's principal executive officers and management persons:

#### **WESLEY PERKINS**

Born 1981

#### **Post-Secondary Education**

University of Louisiana at Lafayette | BS, Business Administration/Finance | 2004

# World Tree Financial, LLC Disclosure Brochure

## Recent Business Background

World Tree Financial, LLC | Chief Investment Officer | 12/2009 – Present

## PRISCILLA GILMORE

Born 1977

## Post-Secondary Education

University of Louisiana at Lafayette | BS, Business Administration/Finance | 2001

## Recent Business Background

World Tree Financial, LLC | Chief Operations Officer | 12/2009 – Present

None of the *Supervised Persons* of World Tree are compensated for advisory services with performance-based fees. In addition, neither World Tree nor its management persons have been the subject of the type of disciplinary event in the instructions to Item 19. Neither World Tree nor any of its *Supervised Persons* have a relationship or arrangement with any issuers of securities not disclosed in response to Item 10 (above).



## **World Tree Financial, LLC**

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Prepared by:



**MARKETCOUNSEL®**  
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