

ADV Part 2

Firm Brochure

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This brochure provides information about the qualifications and business practices of GLASGOW PARTNERS, LLC. If you have any questions about the contents of this brochure, please contact us by phone or email. 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 GLASGOW PARTNERS, LLC is available on the SEC's website at www.adviserinfo.sec.gov

DATED: March 1, 2013

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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Advisory Business

Firm Description

The financial advisory practice of GLASGOW PARTNERS, LLC was founded in 2003.

GLASGOW PARTNERS, LLC offers personalized confidential investment management to federally insured credit unions. Advice is offered through consultation with the senior officers of the client and may include: assessing a client's assets and liabilities, income and expenses, risk tolerance, and overall business operations.

GLASGOW PARTNERS, LLC is strictly a fee-only investment adviser and does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The adviser is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted. Investment advice is offered, with the client making the final decision on investment selection.

GLASGOW PARTNERS, LLC does not act as a custodian of client assets. The client always maintains asset control through SEC and FINRA registered custodial broker/dealers.

GLASGOW PARTNERS, LLC places trades for clients under a limited power of attorney.

Conflicts of interest will be disclosed to the client in the unlikely event they should occur. An initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which investment management services offered by GLASGOW PARTNERS, LLC may be beneficial to the client.

Principal Owners

Thomas Campbell and Mario R. Pelosi are the principal owners of GLASGOW PARTNERS, LLC.

Types of Advisory Services

GLASGOW PARTNERS, LLC offers investment advisory services, also known as asset management services. As of December 31, 2012, GLASGOW PARTNERS, LLC manages approximately \$106 million in assets for approximately 7 clients. All client assets are managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are identified in meetings with clients.

Investment Policy Statements are created or, if already on file, reviewed to ensure that they reflect the stated goals and objectives and are compliant with Federal and state credit union regulations. Client investment policies may impose restrictions on investing in certain securities or types of securities. Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Investment Management Agreement

Some clients may choose to have GLASGOW PARTNERS, LLC manage their investment assets in order to obtain ongoing advice and life planning. All aspects of the client's financial affairs are generally reviewed. Realistic goals and objectives are set and steps to reach those goals are identified. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fees for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. An Investment Advisory Agreement includes: cash flow management; investment management (including periodic performance reporting);

The annual Investment Advisory Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$2,000,000;

0.75% on the assets between \$2,000,000 & \$5,000,000;

0.60% on the assets between \$5,000,000 & \$10,000,000;

Fees on assets greater than \$10,000,000 are negotiable

Current client relationships may exist where the fees are higher or lower than the fee schedule above. The level of annual fees is negotiable.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

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Termination of Agreement

A Client may terminate the aforementioned agreement at any time by notifying GLASGOW PARTNERS, LLC in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination.

GLASGOW PARTNERS, LLC may terminate the aforementioned agreement at any time by notifying the client in writing.

Fees and Compensation

Fee Billing

Investment management fees are generally billed monthly or quarterly, in advance, meaning that clients are invoiced prior to the monthly or three-month billing period. Payment in full is expected upon invoice presentation.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Expense Ratios

Mutual funds and Exchange-Traded Funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by clients to GLASGOW PARTNERS, LLC.

Performance figures quoted by mutual fund companies in various publications and websites are after their fees have been deducted, so are the net investment returns an investor receives.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

GLASGOW PARTNERS, LLC does not use a performance-based fee structure primarily due to credit union regulations, but also because of the potential conflict of interest that could arise. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

GLASGOW PARTNERS, LLC generally provides investment advice to federally insured credit unions, but may also provide advice to individual clients and families. Client relationships vary in scope and length of service.

Account Minimums

No minimum account size is identified for clients who are Investment Management clients. Instead, a minimum charge of \$1,050 per quarter applies, which equates to an annual fee of \$4,200. GLASGOW PARTNERS, LLC has the discretion to waive the account minimum.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that GLASGOW PARTNERS, LLC may use include Charles Schwab & Company's services, TDAmeritrade's research and market information services, Advisor Intelligence, and informational websites found on the World Wide Web.

Investment Strategies

The investment strategy for a specific client is based upon the goals and objectives identified by the client during consultations. The client may change these goals and objectives at any time. Each Investment Management client executes an Investment Policy Statement that documents their goals and objectives and their preferred investment strategy.

Other strategies may include long-term purchases, short-term purchases, and trading.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

GLASGOW PARTNERS, LLC has not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

GLASGOW PARTNERS, LLC is not registered as a securities broker-dealer, or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

GLASGOW PARTNERS, LLC has no arrangements that are material to its advisory or its clients with a related person who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer, or an entity that creates or packages limited partnerships.

Code of Ethics, Participation or Interest in Client

Transactions and Personal Trading

Code of Ethics

GLASGOW PARTNERS, LLC has committed to a Code of Ethics that is available for review by clients and prospective clients upon request. Alternatively, it may be found on the GLASGOW PARTNERS, LLC website.

Participation or Interest in Client Transactions

GLASGOW PARTNERS, LLC may buy or sell securities that are also held by clients. GLASGOW PARTNERS, LLC may not trade its own securities ahead of client trades.

Personal Trading

The Chief Compliance Officer of GLASGOW PARTNERS, LLC is F. Thomas Campbell. Since most trades for Glasgow Partners, llc are small single stock trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

GLASGOW PARTNERS, LLC does not have any affiliation with product sales firms.

Specific custodian recommendations are made to Clients based on their need for such services. GLASGOW PARTNERS, LLC recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

GLASGOW PARTNERS, LLC recommends discount brokerage firms and trust companies (qualified custodians), such as Charles Schwab & Company, Vanguard, and Fidelity. GLASGOW PARTNERS, LLC does not receive fees or commissions from any product sales firms or custodian.

Best Execution

GLASGOW PARTNERS, LLC reviews the execution of trades and markups at each custodian on an ongoing basis. Trading fees charged by the custodians are also reviewed on a quarterly basis. GLASGOW PARTNERS, LLC does not receive any portion of the trading fees.

Soft Dollars

GLASGOW PARTNERS, LLC receives no software maintenance credit from custodial or executing broker dealers.

Review of Accounts

Periodic Reviews

Account reviews are performed at least quarterly by Glasgow Partners, llc. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are new investment information and changes in a client's own situation.

Regular Reports

GLASGOW PARTNERS, LLC considers the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Investment Management Clients receive periodic communications on a monthly basis. Additionally, quarterly reports typically include a +/-300 bps 'Shock Test'

Client Referrals and Other Compensation

Incoming Referrals

GLASGOW PARTNERS, LLC has been fortunate to receive a number of client referrals over the years. The referrals typically come from current clients and other similar industry-related sources. No compensation is paid to referring parties for these referrals.

Referrals Out

GLASGOW PARTNERS, LLC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to him.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record, or digitally via the custodian's website, at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by GLASGOW PARTNERS, LLC .

Investment Discretion

Discretionary Authority for Trading

GLASGOW PARTNERS, LLC does NOT accept discretionary authority to manage securities accounts on behalf of clients. GLASGOW PARTNERS, LLC does not have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. GLASGOW PARTNERS, LLC consults with the client prior to each trade to obtain concurrence. The

client approves the custodian to be used and the commission rates paid to the custodian. GLASGOW PARTNERS, LLC does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Voting Client Securities

Proxy Votes

GLASGOW PARTNERS, LLC does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, GLASGOW PARTNERS, LLC will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

GLASGOW PARTNERS, LLC does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because GLASGOW PARTNERS, LLC, does not serve as a custodian for client funds or securities.

Business Continuity Plan

General

GLASGOW PARTNERS, LLC has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, and services.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices would be identified to support ongoing operations in the event the main office is unavailable. It is Glasgow Partners, llc's intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Information Security Program

Information Security

GLASGOW PARTNERS, LLC maintains information security measures to reduce the risk that a client's personal and confidential information may be breached.

Privacy Notice

GLASGOW PARTNERS, LLC is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to them. The categories of nonpublic information that GLASGOW PARTNERS, LLC may collect from clients may include information about a client's personal finances, information about health (to the extent that it is needed for the financial planning process), information about transactions between clients and third parties, and information from consumer reporting agencies, e.g., credit reports. GLASGOW PARTNERS, LLC uses this information to help clients meet their financial goals.

With client permission, GLASGOW PARTNERS, LLC discloses limited information to attorneys, accountants, and mortgage lenders with whom clients have established a relationship. Clients may opt out from GLASGOW PARTNERS, LLC's sharing information with these nonaffiliated third parties by notifying them at any time by telephone, mail, fax, email, or in person. With client permission, GLASGOW PARTNERS, LLC shares a limited amount of information about clients with the client's brokerage firm in order to execute securities transactions on a client's behalf.

GLASGOW PARTNERS, LLC maintains a secure office to ensure that client information is not placed at unreasonable risk. A firewall barrier, secure data encryption techniques and authentication procedures are employed in the computer environment.

GLASGOW PARTNERS, LLC does not provide client personal information to mailing list vendors or solicitors. GLASGOW PARTNERS, LLC requires strict confidentiality in his agreements with unaffiliated third parties that require access to client personal

information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review Company records and client personal records as permitted by law.

Personally identifiable information about clients will be maintained while a client works with GLASGOW PARTNERS, LLC, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

GLASGOW PARTNERS, LLC will notify clients in advance if the privacy policy is expected to change. GLASGOW PARTNERS, LLC is required by law to deliver this *Privacy Notice* to clients annually, in writing.