

# ***Global Index Advisors, Inc.***

***29 North Park Square***

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***Marietta, GA***

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***770.874.7042***

***www.globalindexadvisors.com***

## ***Disclosure Brochure***

***February 13, 2013***

This brochure provides information about the qualifications and business practices of Global Index Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 770.874.7042. 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.

Global Index Advisors, Inc. is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about the adviser which will help you determine if you wish to hire or retain an adviser.

Additional information about Global Index Advisors, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

Global Index Advisors, Inc. has made no material changes to its brochure and the supplements since their last annual update, dated March 23, 2012.

Global Index Advisors, Inc. (“GIA, we, us, our, ours”) delivers its brochure initially when it enters into an investment management or advisory agreement. We then offer to deliver our updated Brochure on an annual basis. No later than April 29 of each year we will deliver a summary of material changes which have been made to our Brochure since its last annual update. We may also provide updated disclosure information about material changes on a more frequent basis. Any summaries of changes will include the date of our last annual update of our brochure.

Our brochure may be requested by contacting Paul Torregrosa, Director and Chief Compliance Officer, at 770.874.7042 or [ptorregrosa@globalindexadvisors.com](mailto:ptorregrosa@globalindexadvisors.com).

Our brochure is also available on our website at [www.globalindexadvisors.com](http://www.globalindexadvisors.com). We will provide you with a new brochure at any time without charge.

Additional information about our company is also available via the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The SEC’s website also provides information about any persons affiliated with GIA who are registered as investment adviser representatives of GIA. Information on our investment adviser representatives can be found in our brochure supplements.

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## **Advisory Business**

GIA is a corporation organized under the laws of Georgia. George V. Daniels, Jr. and Rodney H. Alldredge founded the Marietta -based investment advisory firm in 1994. George V. Daniels Jr., Rodney H. Alldredge and James P. Lauder each own or control over 25% of the shares of GIA. GIA is a SEC registered investment advisory firm.

We developed “Quantidex” mathematics which helps us allocate assets under our management to various parts of the global securities market, while striving to control risk. The Quantidex strategy:

- Makes no predictions concerning the future behavior of the asset classes owned in the managed portfolios.
- Requires very broad global securities diversification and
- Requires regular portfolio rebalancing.
- Quantidex strategy is used to manage all but one of our client accounts.

GIA:

- Acts as a sub-advisor to a series of registered Target Date mutual funds.
- Acts as a sub-advisor to two series of bank collective Target Date funds.
- Provides separate account management (SMA) services to

corporations, foundations and individuals on a discretionary basis.

- Licenses our investment methodology to other Registered Investment Advisors.

## *Mutual Funds and Bank Collective Funds*

We act as sub-advisor to a series of registered Target Date Mutual Funds and two series of Bank Collective Target Date Funds having the primary objective of replicating Dow Jones Target Date Indexes, which we developed with Dow Jones. We advise you on all matters relating to asset allocation with the intent of duplicating the structures and performances (before operating expenses) of the Dow Jones Target Date Indexes.

## *Separately Managed Accounts*

Through our Separately Managed Accounts Program (“SMA”), we provide investment advice to corporations, foundations and individuals on portfolios made up primarily of individual securities and exchange traded funds (“ETFs”). However, no-load mutual funds may be held in these portfolios. The foundation of the Program is a range of asset allocation portfolios strategically built to meet different investment time horizons, risk levels and objectives. We strive to achieve long-term risk, return and correlation objectives through diversification among multiple asset classes and multiple securities.

We will meet with you to develop your detailed investment profile in order to determine the suitability of the Program for you and the specific portfolio strategy that is appropriate. You may impose reasonable restrictions on the investments made in your account. Any account customization will be documented by a “Letter of Understanding” signed by all parties involved.

Once a strategy is selected, you will appoint a custodian/broker/dealer, complete necessary account opening documents and deposit initial funds into the account. We will purchase (through your chosen broker/dealer) investments required to implement the strategy and will monitor the portfolio on a monthly basis to ensure that it continues to reflect the selected strategy. We will rebalance and/or reallocate the portfolio on a discretionary basis as dictated by market conditions. Please note that transactions in the account, account reallocations and rebalancing may trigger taxable events for you, unless you own an IRA account, 403(b) account, a non-taxable foundation account or a qualified retirement plan account.

It is our responsibility to meet with you personally or speak with you on the phone, at least on an annual basis, to review any changes in your financial situation and/or your strategic investment requirements. The reviewer will be one of our designated portfolio managers. There is no minimum number of accounts assigned to a reviewer. In

addition to the statements supplied by your account custodian we will provide you with quarterly reports showing securities owned and the performance of your portfolio versus the performances of pre-agreed-upon benchmarks.

### *Licensees*

We license our asset allocation and securities selection methodology to other advisors for a negotiated fee that is based upon the value of assets managed by the advisor according to that methodology and the extent of assistance required by the advisor. It is the responsibility of the outside adviser to monitor the client’s assets on an ongoing basis.

### *Assets Under Management*

As of December 31, 2012, we managed approximately \$15.86 billion in client assets on a discretionary basis where we made the investment decisions. Approximately \$1.78 billion in client assets were managed on a non-discretionary basis where our clients made the investment decisions based upon our recommendations.

### ***Fees and Compensation***

We offer our services on a fee-only basis. Broker-dealers and other financial institutions that hold client accounts are referred to as custodians (hereinafter referred to as “custodian/broker-dealer”). Your custodian/broker-dealer determines the values of the assets in your portfolio.



### *Fees for Mutual Fund & Bank Collective Sub-Advisor*

The fee, as negotiated with each fund advisor, ranges from 4 to 25 basis points per year to be paid monthly in arrears. The fee is accrued daily and is a percentage of assets under management. The terms of the sub-advisor arrangement are documented via a Sub-Advisory Agreement.

### *Fees for Separately Managed Accounts*

Fees for the initial quarter are based on the value of your cash and securities on the date the custodian/broker-dealer receives them and are prorated based upon the number of calendar days in the calendar quarter that our agreement is in effect.

The fees generally range between .0625% (6.25 basis points) and .25% (25 basis points) per quarter or .25% (25 basis points) to 1.00% (100 basis points) per year depending on various factors such as the amount of customization required to meet your requirements.

Advisory fees are generally paid directly by the client. All fees are negotiable solely at the discretion of GIA. Fees are charged based upon the market value of the account at the end of each calendar quarter. However, fee adjustments will be made for additional deposits or partial withdrawals made during the quarter in excess of \$100,000.

### *Fees for Licensees*

The annual fee will be negotiated with each adviser on a case-by-case basis and will be billed in quarterly increments. The outside adviser may terminate the relationship at any time and any fees owed will be returned to the adviser on a pro rata basis. Asset based license fees are negotiated with qualified Registered Investment Advisors and are dependent upon the complexity of the relationships.

You must authorize us to have the custodian/broker-dealer pay us directly by charging your account for Separately Managed Accounts. This authorization must be provided in writing. One-fourth of the annual fee is charged each calendar quarter.

We send a statement for Separately Managed Accounts that includes information on the transactions effected in the account and detail current positions as well as compare portfolio performance to relevant predetermined asset allocation models. Your custodian/broker-dealer also provides you with statements that show the amount paid directly to us. You should compare the statement we send to your custodian/broker-dealer's statement and verify the calculation of our fees. Your custodian/broker-dealer does not verify the accuracy of fee calculations.

In addition to our fee, you may be required to pay other charges such as:

- custodial fees,
- brokerage commissions,
- transaction fees,
- internal fees and expenses charged by mutual funds or exchange traded funds (“ETFs”), and
- other fees and taxes on brokerage accounts and securities transactions.

None of these fees are paid to or are shared with us.

Mutual fund companies and ETFs charge internal fees and expenses for their products. These fees and expenses are in addition to any advisory fees charged by us. Complete details of these internal fees and expenses are explained in the prospectuses for each investment. You are strongly encouraged to read these explanations before investing any money. You may ask us any questions you have about fees and expenses.

If you purchase mutual funds through the custodian/broker-dealer, you may pay a transaction fee that would not be charged if the transactions were made directly through the mutual fund company. Also, mutual funds held in accounts at brokerage firms may pay internal fees that are different from fees charged when funds are held at the mutual fund company.

While you may purchase shares of mutual funds directly from the mutual fund company without a transaction fee, those investments would not be part of our advisory relationship with you. This means that they would not be included in

our investment strategies, investment performance monitoring, or portfolio reallocations.

Please be sure to read the section entitled “Brokerage Practices,” which follows later in this brochure.

## ***Performance-Based Fees***

Performance-based fees are designed to give a portion of the returns of an investment to the investment adviser as a reward for positive performance. The fee is generally a percentage of the profits made on the investments. We do not charge performance-based fees on any of our client accounts.

## ***Types of Clients***

We provide advisory services primarily to investment companies, banks or thrift institutions, corporations or business entities. As a condition for starting and maintaining an advisory relationship, we generally require a minimum portfolio size of \$100,000. We, at our sole discretion, may accept clients with smaller portfolios based upon certain factors including anticipated future earning capacity, anticipated future additional assets, account composition, related accounts, and pre-existing client relationships. We may consider the portfolios of your family members to determine if your portfolio meets the minimum size requirement.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

We use data provided by third parties including research reports, financial publications and regulatory filings to conduct analysis of the securities, sectors and asset classes that may be included in your portfolio. We undertake this research in order to determine the relative merit of the investments. Such analysis includes, but is not limited to, price/earnings ratio (P/E), projected PE, price-to-book ratio, dividend rate, earnings, projected earnings, and studies of the long term behavior of sectors and asset classes.

“Quantidex” mathematics then helps us to properly allocate securities to your portfolio while striving to maintain portfolio risk at a level that is appropriate for you.

Investing in securities involves the risk of loss. You should not invest unless you are prepared to bear the risk of loss.

Our investment strategies may include long-term and short-term purchases and trading (securities sold within 30 days). You may place reasonable restrictions on the strategies to be employed in your portfolio and the types of investments to be held in your portfolio.

All investments involve risks that can result in loss:

- loss of principal,
- a reduction in earnings (including interest, dividends and other

- distributions), and
- the loss of future earnings.

Additionally, these risks may include:

- market risk,
- interest rate risk,
- issuer risk, and
- general economic risk.

Although we manage your portfolio in a manner consistent with your risk tolerances, we cannot guarantee that our efforts will be successful. You should be prepared to bear the risk of loss.

## ***Disciplinary Information***

We have not been the subject of any legal or disciplinary events that would be material to your evaluation of our business or the integrity of our management.

## ***Other Financial Industry Activities and Affiliations***

GIA designs indexes and analytical (Portfolio) tools for Dow Jones Indexes (“DJI”). GIA, through a licensing agreement with DJI, may find and support organizations that wish to offer Dow Jones branded products or wish to use Dow Jones Portfolio Tools. The executive officers of GIA spend approximately 1% of their time on this activity.

## ***Code of Ethics; Participation or Interest in Client Transactions and Personal Trading***

We have adopted a Code of Ethics (“Code”) to address the securities-related conduct of our advisory representatives and employees. The Code includes our policies and procedures developed to protect your interests in relation to the following:

- the duty at all times to place your interests ahead of ours;
- that all personal securities transactions of our advisory representatives and employees be conducted in a manner consistent with the Code and avoid any actual or potential conflict of interest, or any abuse of an advisory representative’s or employee’s position of trust and responsibility;
- that advisory representatives may not take inappropriate advantage of their positions;
- that information concerning the identity of your security holdings and financial circumstances are confidential; and
- that independence in the investment decision-making process is paramount.

We will provide a copy of the Code to you or any prospective client upon request.

We do not buy or sell securities for our firm that we also recommend to clients.

Our advisory representatives and employees are permitted to buy or sell the same securities for their personal and family accounts that are bought or sold for your account(s). The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by you or
- considered for purchase or sale for you.

We have adopted policies and procedures that are intended address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in your best interest,
- prohibit favoring one client over another, and
- provide for the review of transactions to discover and correct any same-day trades that result in an advisory representative or employee receiving a better price than a client.

Advisory representatives and employees must follow our procedures when purchasing or selling the same securities purchased or sold for you.

## ***Brokerage Practices***

We do not recommend custodians or broker dealers to our clients. The selection of particular custodian or broker dealer is not a condition for our acceptance of a client account.



## ***Review of Accounts***

For the GIA Separately Managed Account Program, accounts are reviewed by Advisory Representatives of GIA on an ongoing basis. There is no minimum number of accounts assigned to the reviewer. The reviews focus on consistency of portfolio investments with investment objectives and risk tolerances.

On a quarterly basis, performance is reviewed to monitor consistency with appropriate benchmarks. Accounts are rebalanced and/or reallocated no less than annually to ensure that they remain in line with pre-determined risk strategy.

More frequent rebalancing may occur at the discretion of management should market conditions dictate.

You will receive statements from the custodian/broker-dealer at least quarterly. These statements identify your current investment holdings, the cost of each of those investments, and their current market values. You will also receive reports prepared by us that will provide information on the transactions effected in the account and detail current positions as well as compare portfolio performance to relevant predetermined asset allocation models.

## ***Client Referrals and Other Compensation***

We do not directly or indirectly compensate any person who is not one

of our advisory representatives or employees for client referrals.

## ***Custody***

You will receive statements from the custodian/broker-dealer that holds your investment account on at least a quarterly basis.

If you have a Separately Managed Account, we urge you to carefully review these statements and compare them to the account statements that we may provide you.

You should verify that the transactions in your account are consistent with your investment goals and the objectives for your account. We also encourage you to contact your advisory representative or our Chief Compliance Officer should you have any questions or concerns regarding your account.

## ***Investment Discretion***

We offer our advisory services on a discretionary basis. This means that we do not need advance approval from you to determine the type and amount of securities to be bought and sold for your accounts. We do not, however, have the ability to choose the broker-dealer through which transactions will be executed. Additionally, we do not have the ability to withdraw funds from your account (other than to withdraw our advisory fees which, may only be done with your prior written authorization.) This discretion is used in a manner

consistent with the stated investment objectives for your account, if you have given us written authorization to do so. We only exercise discretion in accounts where we have been authorized by you. This authorization is typically included in the investment advisory agreement you enter into with us.

### ***Voting Client Securities***

We do not take any action or give any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which your accounts may be invested. In addition, we do not take any action or give any advice with respect to any securities held in any accounts that are named in or subject to class action lawsuits. We will, however, forward to you any information received by us regarding proxies and class action legal matters involving any securities held in your accounts.

### ***Financial Information***

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and we have not been the subject of a bankruptcy proceeding.

Rodney H. Alldredge  
*Global Index Advisors, Inc.*

*29 North Park Square  
Suite 201  
Marietta, GA 30060*

*770.874.7042*

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Brochure Supplement

February 13, 2013

This brochure supplement provides information about Rodney Alldredge that supplements the Global Index Advisors brochure. You should have received a copy of that brochure. Please contact Paul Torregrosa, Director & Chief Compliance Officer, if you did not receive Global Index Advisors' brochure or if you have any questions about the contents of this supplement.

Additional information about Rodney Alldredge is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

### **Rodney Alldredge**

*Year of birth:* 1958

*Formal education:*

- Birmingham Southern College; BS in Computer Information Systems, 1989

*Business background:*

Mr. Alldredge, Director of Portfolio Operations at GIA, has served as a consulting analyst and asset allocation strategist for both defined benefit and defined contribution retirement plans since 1989. He co-founded GIA in June 1994 (formerly known as Daniels & Alldredge Investment Management, Inc.) and has acted as an adviser to portfolio index funds since 1995. Mr. Alldredge has served in positions at The Robinson-Humphrey Company and The Quantidex Group.

### **Disciplinary Information**

Rodney Alldredge has not been the subject of any legal or disciplinary event.

### **Other Business Activities**

GIA designs indexes and analytical (Portfolio) tools for Dow Jones Indexes ("DJI"). GIA, through a licensing agreement with DJI, may find and support organizations that wish to offer

Dow Jones branded products or wish to use Dow Jones Portfolio Tools. The executive officers of GIA spend approximately 1% of their time on this activity.

### **Additional Compensation**

Mr. Alldredge does not receive any additional compensation related to the advisory services provided to you.

### **Supervision**

Mr. Alldredge is supervised by James Lauder, CEO. Mr. Lauder can be reached at 770.874.7042.

We supervise Mr. Alldredge by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics. We will monitor the advice that Mr. Alldredge gives to you by performing the following reviews:

- A review of relevant account opening documentation when the relationship is established;
- Review custodial information on a quarterly basis to assess account activity;
- Perform annual oversight so that Mr. Alldredge is aware of your current financial situation, objectives, and individual investment needs; and,
- A review of client correspondence on an as needed basis.

James P. Lauder  
*Global Index Advisors, Inc.*

*29 North Park Square  
Suite 201  
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Brochure Supplement

February 13, 2013

This brochure supplement provides information about James Lauder that supplements the Global Index Advisors brochure. You should have received a copy of that brochure. Please contact Paul Torregrosa, Director & Chief Compliance Officer, if you did not receive Global Index Advisors' brochure or if you have any questions about the contents of this supplement.

Additional information about James Lauder is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Educational Background and Business Experience**

### **James Lauder**

*Year of birth:* 1970

*Formal education:*

- The University of South Alabama; BS in Finance, 1993
- Emory University; MBA 1998

*Business background:*

Mr. Lauder, Chief Executive Officer of GIA, has served in a variety of senior management and consultative positions in the financial services industry. He joined GIA in June 2002 and has acted as an adviser to portfolio index funds since that time. Prior to 2002, he provided consulting services through his own company. Mr. Lauder has served in positions at AmSouth Bank, KPMG Consulting, SunTrust Banks, and as President and Founder of Lauder Consulting Group – a bank strategy consulting firm.

### **Disciplinary Information**

James Lauder has not been the subject of any legal or disciplinary event.

### **Other Business Activities**

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agreement with DJI, may find and support organizations that wish to offer Dow Jones branded products or wish to use Dow Jones Portfolio Tools. The executive officers of GIA spend approximately 1% of their time on this activity.

### **Additional Compensation**

Mr. Lauder does not receive any additional compensation related to the advisory services provided to you.

### **Supervision**

Mr. Lauder is supervised by Paul Torregrosa, Director & Chief Compliance Officer. Mr. Torregrosa can be reached at 770.874.7042.

We supervise Mr. Lauder by requiring that he adhere to our processes and procedures as described in our firm’s Code of Ethics. We will monitor the advice that Mr. Lauder gives to you by performing the following reviews:

- A review of relevant account opening documentation when the relationship is established;
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- Perform annual oversight so that Mr. Lauder is aware of your current financial situation, objectives, and individual investment needs; and,
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## **Educational Background and Business Experience**

### **Paul Torregrosa**

*Year of birth:* 1960

#### *Formal education:*

- Virginia Tech, R.B. Pamplin College of Business; BS in Economics, 1983
- Washington University, University Fellow; MA – Economics, 1985
- Virginia Tech, R.B. Pamplin College of Business; Ph.D.— Finance, 1988 Minors: Economics, Statistics

#### *Business background:*

Dr. Torregrosa, Director of Research at GIA, has functioned in a variety of research related positions within the financial services industry. He worked for a predecessor firm of GIA (Daniels & Alldredge Investment Management, Inc.) as the Director of Consulting Services (January 1997 – January 2000). He then went on to act as the Director of Investment Consulting at AMVESCAP Retirement, Inc. (f.k.a Invesco Retirement Plan Services) (January 2000 – September 2002) and Vice President and Mutual Fund Strategist at Linsco/Private Ledger Corp (October 2002 – April 2004). Most recently, he served as Director of Research at Iron Capital Advisors (April

2004 to July 2006) and as Director of Research, Gray Financial Services, United Investment Managers (July 2006 to June 2007). Prior to 2002, Dr. Torregrosa served as the Director of Quantitative Research at Morningstar, Inc. and as an Assistant Professor of Finance at Marquette University. He rejoined Global Index Advisors in June of 2007.

## **Disciplinary Information**

Paul Torregrosa has not been the subject of any legal or disciplinary event.

## **Other Business Activities**

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## **Additional Compensation**

Dr. Torregrosa does not receive any additional compensation related to the advisory services provided to you.

## **Supervision**

Dr. Torregrosa is supervised by James Lauder. Mr. Lauder can be reached at 770.874.7042.

We supervise Dr. Torregrosa by requiring that he adhere to our processes and procedures as described in our firm's Code of Ethics. We will monitor the advice that Dr. Torregrosa gives to you by performing the following reviews:

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