

**Form ADV Part 2A**  
**Investment Adviser Brochure**  
**December 31, 2013**



**John A. Wolfe & Associates, Inc.**

3050 Old Centre Road, Suite 101  
Portage, Michigan 49024

269-324-1988  
800-344-6341

This brochure provides information about the qualifications and business practices of John A. Wolfe & Associates, Inc. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (SEC), or by any state securities authority. If you have any questions about the contents of this brochure, please contact us at 269-324-1988 or 800-344-6341. Additional information about John A. Wolfe & Associates, Inc. is available at the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Registration with the Securities and Exchange Commission does not imply a certain level of skill or training.

## **John A. Wolfe & Associates, Inc.**

### **Investment Advisor Brochure: Summary of Material Changes**

John A. Wolfe & Associates, Inc. has updated its brochure information for the fiscal year ending 12/31/2013. Below, by section and paragraph, the edited or updated changes are italicized.

#### **Advisory Business**

As of *December 31, 2013*, JAWA, Inc.'s assets under discretionary management were *\$442,892,734.01*. An additional *\$25,433,095.42* of assets was self-directed. JAWA, Inc. administers these accounts on a non-discretionary basis.

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

JAWA, Inc.'s discretionary management goal is to earn competitive returns while employing strategies that mitigate investment risks and decrease expense. Clients receive reports of their portfolios' performance *every four months in January, May and September*. Investment returns may be presented by asset class. When an asset class return is compared with a benchmark, the index's investment composition is comparable with that of the asset class. All performance returns are reported net of fees.

#### **Brokerage Practices:**

##### **Directed Brokerage**

*Schwab insures assets for limits above the Securities Investor Protection Corporation. Beyond the SIPS's limits of \$500,000.00, which includes a maximum of \$250,000.00 in claims for cash, Schwab insures through Lloyd's of London customer accounts held in the same capacity up to \$150,000,000.00 of securities including up to \$1,150,000 in cash.*

Please contact our office to obtain a copy of our updated Investment Adviser Brochure.

John A. Wolfe & Associates, Inc.  
3050 Old Centre Rd., Suite 101  
Portage, MI 49024  
269-324-1988  
800-344-6341  
Email: [janice@jawainc.com](mailto:janice@jawainc.com)

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# **John A. Wolfe & Associates, Inc.**

## **Investment Adviser Brochure**

### **Advisory Business**

John A. Wolfe & Associates, Inc. (JAWA, Inc.) is an investment advisory service registered with the Securities Exchange Commission. The Company was founded in December, 1989, to provide discretionary investment management services. John A. Wolfe is the President and sole shareholder.

John A. Wolfe & Associates, Inc. advises about all types of investments. However, its discretionary investment management philosophy is conservative and its investment decisions are based upon principles that have proven successful in the long term. These principles are well known, having research and historical data that support the Company's disciplined methodology of investment management. JAWA, Inc.'s investment philosophy, its strategies, and how they are structured for the client's benefit are discussed more fully in the section, "Methods of Analysis, Investment Strategies and Risk of Loss", below.

Within the framework of the Company's investment philosophy, portfolios are managed on an individual basis, keeping foremost each client's specific financial circumstances. Prospective clients discuss with the adviser their financial situation, goals, risk tolerance and investment experience. Clients share additional information in completing an Account Suitability Profile. The discussion and the suitability form provide the information on which a plan is made for each client's circumstances. As a client's financial situation and goals change over time, the adviser's portfolio management adapts to address these changes. Clients are encouraged to contact or meet with the adviser whenever they have questions, and are frequently reminded to keep the adviser aware of their current situations. Clients may specify instructions and/or limitations for the management of their portfolio as a term of their client service agreement.

As of December 31, 2012, JAWA, Inc.'s assets under discretionary management were \$442,892,734.01. In addition, \$25,433,095.42 of assets was self-directed; JAWA, Inc. administers these accounts on a non-discretionary basis.

### **Fees and Compensation**

John A. Wolfe & Associates, Inc. is a fee only investment advisory; its only revenues are the fees paid by clients. The Company and its staff do not receive monetary compensation from investment companies (mutual funds), broker/dealers, custodians or any other parties or services related to implementing clients' financial plans, making investments and maintaining clients' portfolios. JAWA, Inc. and its employees do not sell securities, receive commissions or performance-based compensation.

JAWA, Inc.'s annual fee rates range from a maximum of .75% to less than .25% of the value of the assets under discretionary management. The Company reserves the right to negotiate its management fee rate with each client.

Fees are billed in arrears for the four prior months' services in May, September and January. A fee is calculated by multiplying the month's ending value of the client's assets under management by 1/12 of the annual fee rate; partial month periods are prorated. At the time of billing, clients receive statements fully disclosing their fee calculation and account debit. Clients pay fees through deductions from their account(s), with a few exceptions receiving direct billing.

Fees paid to JAWA, Inc. are separate and distinct from the fees and expenses charged to shareholders of mutual funds. These fees and expenses are described in each fund's prospectus, and generally include management fees and other fund expenses, or possible distribution fees or sales charges.

Clients are also charged brokerage fees and trading costs by broker dealer and/or custodians. These expenses are paid from the client's account(s) separate from JAWA, Inc.'s compensation. Clients should review securities' prospectuses, service contracts and service fee disclosures to fully understand the total costs charged to their investments and investment accounts by mutual funds, brokerages, custodians and investment advisers. More information about brokerage expenses is within this brochure's section, "Brokerage Practices", below.

## **Performance-Based Fees & Side-By-Side Management**

JAWA, Inc. does not charge performance-based fees.

## **Types of Clients**

John A. Wolfe & Associates, Inc. provides advisory services to individuals and organizational clients. Individual portfolios include retirement, personal, custodial and trust accounts. Organizations' accounts include retirement plans, general investment and endowment accounts.

JAWA, Inc. suggests an opening portfolio balance of \$500,000. Lesser opening balance amounts are considered with the client's understanding that smaller accounts will likely not be as well diversified as larger portfolios.

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

The goal of an investment is to earn a return for the investor; however, returns are earned through the investor's assumption of risk. All investors should be prepared to bear the risk that an investment could result in a negative outcome, including loss. The probability that an investment earns a positive return is greater when the investment horizon is long term, the strategies are supported by years of experience and research, and the investment expenses are low.

The Company's approach to investing is conservative. JAWA, Inc.'s criteria in making investment decisions begins with several evaluations of securities, and of what combination of investments meeting these criteria should build a portfolio that is suitable for the client's goals and risk tolerance. One evaluation is fundamental analysis, which judges securities by financial strength, financial performance, market/brand dominance, stability and management relative to their history and industry class. A fundamentally strong security carries less risk. Another criterion is how a security would increase the diversification of a portfolio. Diversifying is to invest in many different industries and geographical regions worldwide, and this works to decrease risk. Securities are selected also in view of their correlation with other securities in the portfolio. By decreasing correlation among the securities, a portfolio has a higher probability of earning a return in varying economic circumstances. Fundamental analysis, diversification and decreasing correlation are well known and widely used approaches to evaluating securities and managing portfolios.

The Company's Investment Policy Statement requires that discretionary investments are mutual funds, ETFs (electronic exchange traded funds), unit trusts, money market funds, certificates of deposit, and Treasury bonds. JAWA, Inc. selects mutual funds managers that share its conservative investment philosophy and evaluation criteria.

JAWA, Inc. closely watches the overall expense of investments. There are many fees and charges associated with investing. The Company prefers no load, or low load mutual funds, and lower management and transaction expenses. Custodial and trading costs are discussed below under the "Brokerage Practices" heading.

JAWA, Inc.'s discretionary management goal is to earn competitive returns while employing strategies that mitigate investment risks and decrease expense. Clients receive reports of their portfolios' performance every four months in January, May and September. Investment returns may be presented by asset class. When an asset class return is compared with a benchmark, the index's investment composition is comparable with that of the asset class. All performance returns are reported net of fees.

### **Disciplinary Information**

John A. Wolfe & Associates, Inc. and its employees have no disciplinary history.

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

John A. Wolfe & Associates, Inc. and its employees are engaged only in this Company's advisory business. The Company and its employees have no other industry activity or affiliation.

### **Code of Ethics, Participation or Interest in Client Transactions & Personal Trading**

JAWA, Inc.'s Code of Ethics describes the conduct expected of every employee, and it includes the Standards of Professional Conduct which specifies the duties and responsibilities that must be met to work at the Company. Copies of the Code of Ethics and Standards are provided to prospects and clients upon request.

JAWA, Inc., its employees and related persons may already own or to choose buy or sell securities in their personal accounts which are identical to securities owned by clients or recommended to existing and future clients. If a conflict of interest occurs, the Company's policy is that priority will always be given to the client's interest over the interest of the JAWA, Inc., its staff and related parties.

### **Brokerage Practices:**

#### **Research and Other Soft Dollar Benefits**

JAWA, Inc. does not receive monetary compensation from any investment company, custodian or broker-dealer. However, the Company does benefit from access to technology and services offered by these companies.

The technology and services provided by broker-dealers, custodians and investment companies include software, access to servers and websites that provide real time client account data, proprietary and third party research, securities pricing and market data. Broker-dealers' services facilitate trade execution and support JAWA, Inc. with record keeping, client reporting, transfers to clients' accounts at other financial companies and facilitating payment of clients' fees.

Broker-dealers/custodians may assist JAWA, Inc.'s management with its client services' operations, evaluation, development and planning. They also provide investment research on their websites, in publications, continuing education programs and general conferences.

These services are provided without cost to the benefit of all clients by facilitating the Company's administration of accounts and increasing its investment knowledge.

#### **Brokerage for Client Referrals**

JAWA, Inc. receives no client referrals from any brokerage.

## **Directed Brokerage**

Under the terms of the Company's Client Service Agreement, clients authorize the selection and designation of Charles Schwab & Co., Inc. Institutional Service Group as the custodian and broker-dealer for their accounts. JAWA, Inc. acknowledges that not all advisers direct clients' selection of a broker-dealer.

JAWA, Inc. considers many factors in considering broker/dealer/custodial services. These include the capability to execute, clear and settle trades; to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.); breadth of available investment products; availability of investment research and tools; quality of services; reputation; financial strength; account protection and prior service to JAWA, Inc. and its clients. JAWA, Inc.'s experience with Charles Schwab & Co., Inc. in these capabilities has been excellent.

Schwab insures assets for limits above the Securities Investor Protection Corporation. Beyond the SIPS's limits of \$500,000.00, which includes a maximum of \$250,000.00 in claims for cash, Schwab insures through Lloyd's of London customer accounts held in the same capacity up to \$150,000,000.00 of securities including up to \$1,150,000 in cash.

The Company recognizes that by directing clients' selection of a custodian, clients could be unable to achieve the most favorable execution and/or transaction costs. However, JAWA, Inc. is required by regulation to periodically compare the fees charged by Charles Schwab & Co., Inc. Institutional Service Group with those charged to clients of other comparable broker-dealers/custodians. In general, these comparisons indicate that Charles Schwab & Co., Inc. Institutional Service Group's fees (which include commission rates, margin interest rates, trading and transfer fees) are competitive. Charles Schwab & Co., Inc. Institutional Service Group does not charge for custody services.

The designation by clients of Charles Schwab & Company, Inc., Institutional Service Group for brokerage and custodial services does not make JAWA, Inc. an affiliate of Schwab. It does allow JAWA, Inc. to participate in the Schwab Institutional Service Group program, which is offered to independent investment advisers. JAWA, Inc. receives no monetary compensation from Schwab Institutional for this participation. However, clients benefit from Schwab's institutional rates for broker/dealer/custodian service fees that are lower than the fees charged by their retail investment service.

Participation in the Schwab Institutional Service Group program is not contingent upon JAWA, Inc. committing to Schwab any specific amount of business. In addition to the services described above, participation in the Schwab Institutional Service Group program allows JAWA, Inc.'s clients two significant advantages. One is access to institutional funds that are not available to retail clients, and the other is that many funds lower their initial investment minimum requirements.

## **Review of Accounts**

Portfolio reviews are performed by the Chief Portfolio Manager and the Portfolio Manager. Every account's portfolio activity is downloaded daily from the custodian, posted and reconciled. Portfolios may be reviewed or analyzed based upon this daily information.

Reviews are made when there are material changes in clients' financial circumstances, service agreements, the securities' markets, political policies, the economy, account activity or investment performance. Reviews occur whenever a client or the adviser deems necessary.

Portfolios are regularly reviewed in preparation of the Company's reports to clients, which are sent three times a year. The reports include commentary addressing pertinent investment issues and economic information, account statements, presentations of performance and account activity and management fee statements. Other individualized correspondence within reports is included as requested by client or deemed informative by the adviser. Pertinent information from published sources may be included, when the author has given the Company reprint permission. Clients may also receive special reports when there are unusual economic events or circumstances.

## **Client Referrals and Other Compensation**

JAWA, Inc. neither pays nor receives compensation or any other economic benefit for referrals.

## **Custody**

John A. Wolfe & Associates, Inc. does not have custody of clients' assets. All clients' assets are held by Charles Schwab & Co., Inc. Institutional Service Group, which is a qualified custodian. (SEC qualified custodians include banks, savings association, and registered broker-dealers, among a few other institutions.) Clients receive monthly account statements from the custodian, and are advised to carefully review them.

JAWA, Inc.'s trimester reports to clients include portfolio statements produced in house. All clients are reminded to confirm their JAWA, Inc. statements with those received from the qualified custodian.

## **Investment Discretion**

JAWA, Inc. provides investment management and administration services. Before any investment management services are provided, prospective clients must share detailed information about their financial circumstances and goals, their understanding and tolerance of risk, their investment knowledge and experience. Prospective clients meet with an adviser and complete forms that document this information. All JAWA, Inc. clients are regularly reminded that this information changes over time, and that JAWA, Inc. needs to be kept abreast of clients' changes in their financial circumstances and goals.

Clients grant JAWA, Inc. discretionary authority in the terms of the Company's Client Service Agreement. This contract limits JAWA, Inc.'s discretionary authority to the purchase and sale of securities, and to debit clients' accounts for payment of management fees. The Agreement binds JAWA, Inc. to maintain clients' directed allocation of equity/fixed income within a 10% range. A client may choose to make individualized instruction for his/her account within the Client Service Agreement.

## **Voting Client Securities**

John A. Wolfe & Associates, Inc. does not accept the authority to vote clients' securities. Clients receive proxies and shareholder reports from the Custodian, by mail or e-mail. Questions regarding the shareholder voting process or their proxies may be directed to our office.

## **Financial Information**

John A. Wolfe & Associates, Inc. has no knowledge of any reasonably likely condition or situation that could impair its ability to fulfill its contractual commitments to clients.



**Form ADV Part 2B  
Brochure Supplement  
December 31, 2013**



**John A. Wolfe & Associates, Inc.**

3050 Old Centre Road, Suite 101  
Portage, Michigan 49024

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## **Form ADV Part 2B Brochure Supplement December 31, 2013**

This Brochure Supplement provides information about John A. Wolfe and John H. Porter, Jr. that supplements the John A. Wolfe & Associates, Inc. Form ADV Part 2A Brochure. If you have not received a copy of the John A. Wolfe & Associates, Inc. Brochure, or if you have any questions about the content of this supplement, please contact Janice Campbell at 269-324-1988 or 800-344-6341.

### **Education and Business Background**

The general standards for education and business experience that JAWA requires for their investment advisers is a Bachelor's degree, five or more years of relevant investment experience and Certified Financial Planner® certification.

### **Professional Designations & Qualifications**

The Certified Financial Planner designation is issued by the Certified Financial Planner Board of Standards, Inc. The CFP® is voluntary; no federal or state law or regulation requires financial planners to hold CFP® certification. To attain the right to use the CFP® marks, an individual must fulfill the following requirements:

- Satisfactorily complete the CFP® advanced college level course of study as determined by the CFP Board as necessary for competency and professionalism in financial planning services.
- Attain a Bachelor's degree (or higher) from an accredited college or university.
- Pass the CFP® certification exam. This is a two day 10 hour exam including case studies and client scenarios to test an individual's knowledge and diagnostic ability of real world financial planning issues and circumstances.
- Completion of three years of full-time personal financial planning experience (2,000 hours per year).
- Agree to be bound to the CFP Board's Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals.

Once certified, individuals must complete the following ongoing education and ethical requirements to maintain the right to continue to use the CFP® marks:

- Complete 30 hours of continuing education every two years, which includes two hours of ethics and professional conduct standards.
- Renew agreement to be bound by the Standards of Professional Conduct, which requires certified professionals provide financial planning services strictly in the best interests of their clients.

## **John A. Wolfe, CFP®**

Year of Birth: 1961

Education: Indiana University, Bloomington, Indiana  
B.S., Business, 1983

Business: John A. Wolfe & Associates, Inc., President, IA Representative  
01/1990 – present  
Merrill, Lynch, Pierce, Fenner & Smith, Inc., Registered Representative  
02/1988-12/1989, Carmel, Indiana  
First Investors Corporation  
06/1986-01/1988, Branch Office Manager, Toledo, Ohio  
10/1983-05/1986, Registered Rep., District Manager, Indianapolis, IN

### **Professional Designations & Qualifications**

CFP®

NASD Series 2 General Securities License

NASD Series 6 Investment Company Products/Variable Contracts Representative License

NASD Series 7 General Securities Representative License

NASD Series 26 Investment Company Products/Variable Contracts Principal License

NASD Series 63 Uniform Securities Agent State Law License

NASD Series 65 Uniform Investment Adviser Law License

### **Disciplinary Information**

An investment adviser and its supervised persons (IA Representatives) must disclose material facts about a legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the Investment Adviser Representative. John A. Wolfe does not have any disclosure items.

### **Other Business Activities**

John A. Wolfe is actively engaged only with John A. Wolfe & Associates, Inc.

### **Additional Compensation**

John A. Wolfe's sole source of compensation is from John A. Wolfe & Associates, Inc.

### **Supervision**

John A. Wolfe formulates his own investment advice. Janice B. Campbell, Chief Compliance Officer, reviews notes from client meetings and telephone conversations, portfolio transactions and reports. Janice Campbell may be contacted at 269-324-1988 or 800-344-6341.

## **John H. Porter, Jr., CFP®**

Year of Birth: 1952

Education: University of Southern California  
M.S., Systems Management, 1989  
United States Military Academy  
B.S., Engineering, 1974

Business: John A. Wolfe & Associates, Inc., IA Representative & Portfolio Manager  
11/2007 – present, Portage, Michigan  
Gasaway Investment Advisors, Inc., Investment Adviser Representative  
1/2000-6/2006, Portage, Michigan  
Military Personnel Resources, Inc., Operations Manager  
7/1998-9/1999, Sarajevo/Bosnia-Herzegovina  
Western Michigan University, Professor & Department Chairman  
6/1994-7/1998, Kalamazoo, Michigan  
United States Army, Executive Director (Executive Officer)  
4/1993-5/1994, domestic and foreign assignments

### **Professional Designations & Qualifications**

CFP®

NASD Series 7 General Securities Representative License

NASD Series 63 Uniform Securities Agent State Law License

Insurance License (Michigan) for Health and Life

### **Disciplinary Information**

An investment adviser and its supervised persons (IA Representatives) must disclose material facts about a legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of the Investment Adviser Representative. John H. Porter, Jr. does not have any disclosure items.

### **Other Business Activities**

John H. Porter, Jr. is actively engaged only with John A. Wolfe & Associates, Inc.

### **Additional Compensation**

John H. Porter, Jr.'s sole source of compensation is from John A. Wolfe & Associates, Inc.

### **Supervision**

John H. Porter, Jr. formulates his own investment advice. Janice B. Campbell, Chief Compliance Officer, reviews notes from client meetings and telephone conversations, portfolio transactions and reports. Janice Campbell may be contacted at 269-324-1988 or 800-344-6341.