

**Astraeus Wealth Advisers, LLC**

**FORM ADV PART 2A  
BROCHURE**

300 S. Northwest Hwy., Suite 209  
Park Ridge, Illinois 60068

<http://www.astraeusadvisers.com/>

This brochure provides information about the qualifications and business practices of Astraeus Wealth Advisers, LLC. If you have any questions about the contents of this brochure, please contact Christopher F. Yannella via phone at 847-825-2200, or via email at [chris.yannella@astraeusadvisers.com](mailto:chris.yannella@astraeusadvisers.com).

Additional information about Astraeus Wealth Advisers, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Astraeus Wealth Advisers, LLC is 148562.

Astraeus Wealth Advisers, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training. 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.

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## Table of Contents

<b>Advisory Business .....</b>	<b>1</b>
<b>Fees and Compensation.....</b>	<b>4</b>
<b>Performance-Based Fees and Side-By-Side Management .....</b>	<b>7</b>
<b>Types of Clients .....</b>	<b>8</b>
<b>Methods of Analysis, Investment Strategies and Risk of Loss .....</b>	<b>9</b>
<b>Disciplinary Information.....</b>	<b>11</b>
<b>Other Financial Industry Activities and Affiliations.....</b>	<b>12</b>
<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>13</b>
<b>Brokerage Practices .....</b>	<b>14</b>
<b>Review of Accounts .....</b>	<b>16</b>
<b>Client Referrals and Other Compensation.....</b>	<b>17</b>
<b>Custody .....</b>	<b>18</b>
<b>Investment Discretion.....</b>	<b>19</b>
<b>Voting Client Securities .....</b>	<b>20</b>
<b>Financial Information .....</b>	<b>21</b>
<b>Additional Information .....</b>	<b>22</b>

## Advisory Business

Astraeus Wealth Advisers, LLC (hereinafter referred to as “AWA”) is a multi-family office providing investment advisory, financial planning, and family office services. AWA has been in business since 2008. AWA’s principal owner is Christopher Francis Yannella, CRD Number 453341. Mr. Yannella is an individual who is a direct owner, owning 100% of AWA, an Illinois Limited Liability Company.

AWA provides its investment advisory, financial planning, and family office services to high-net worth families, which consist of individuals, corporations, trusts, not for profit organizations, and other entities. The financial planning and family office services are bundled into the investment management advisory services of AWA and are not broken out separately as a service or for billing. AWA’s services include, but are not necessarily limited to, the following:

### Investment Advisory Services:

- Asset allocation
- Investment policy
- Performance reporting
- Portfolio management for individuals and entities
- Selection and due diligence of advisers and managers
- Selection and due diligence of custodians

### Financial Planning Services:

- Asset protection
- Cash flow planning
- Debt planning
- Employee benefit planning
- Estate planning
- Gifting strategies
- Income tax planning
- Insurance planning
- Negotiations and due diligence
- Philanthropic planning

- Risk mitigation
- Tax return compliance
- Titling of assets
- Wealth transfer strategies

Family Office Services:

- Account opening and closing paperwork
- Billpaying
- Bookkeeping
- Concierge services
- Family governance
- Financial statement preparation
- Personal assistant services
- Supervision and oversight of family advisors, vendors, and employees

AWA's advisory services are tailored to the individual needs of its clients. Prior to engaging AWA to provide investment advisory services, the client will be required to enter into one or more written agreements with AWA, which govern the terms and conditions under which AWA shall render its services (collectively the "Agreement"). In addition, AWA may only implement its investment advisory recommendations after the client has arranged for and furnished AWA with all information and authorization regarding accounts with appropriate financial institutions. Likewise, AWA will only implement its investment recommendations after the client consents to the recommendations.

Accordingly, AWA conducts all investment advisory services on a non-discretionary basis. AWA will assess the investment profile and parameters of its clients, which are typically memorialized in writing in a customized investment policy statement for each family. Clients may impose restrictions on investing in certain securities or types of securities. Most often, these restrictions relate to their role as an officer of a publicly traded company.

AWA does not participate in a wrap fee program.

## Assets Under Management

As of December 31, 2010, AWA has the following amount of assets under management, for which it provides continuous and regular supervisory and management services:

Non-discretionary Assets Under Management	\$243,900,000
Discretionary Assets Under Management_*	<u>\$108,700,000</u>
<b>Total Assets Under Management</b>	<b>\$352,600,000</b>

*\*Although AWA conducts all investment advisory services on a non-discretionary basis, certain of its clients have requested that Mr. Yannella, individually, serve in a role as Trustee or Manager of certain entities, such as Trusts, Limited Liability Companies, and Partnerships. Due to Mr. Yannella's agreeing to these requests, some of AWA's assets are required to be categorized as "discretionary". Neither AWA nor Mr. Yannella exercises any discretion over client assets, and AWA will only implement its investment recommendations after the client consents to the recommendations.*

## Fees and Compensation

### Types of Fees

AWA receives only three types of fees from clients:

- 1) a flat annual fee; and/or
- 2) a fee based on the percentage of assets under management; and/or
- 3) a discretionary supplemental fee.

All fees are negotiable.

AWA and its clients may agree to a billing structure based on one or more of the above types of fees.

For the **flat fee**, the annual fee shall be charged monthly, quarterly, or semi-annually, in advance. The general range is \$25,000-\$200,000 annually to perform investment advisory, family office, and financial planning services. The variation in fee amount is due to the complexity of the clients' financial situation as well as the anticipated time necessary to devote to the client.

For the **percentage-based fee**, the annual fee shall be charged quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter, to perform investment advisory, family office, and financial planning services. The annual fee shall vary depending upon the market value of the assets under management, and any breakpoints. For those clients whose fees are calculated as a percentage of assets under management, to the extent that clients authorize the use of margin, and thus employ margin in their investment portfolios, AWA will bill on the gross market value of the portfolio, and not net of any margin debt. Generally, AWA's percentage-based fee schedule is as follows:

Assets Under Management	Advisory Fees
\$1,000,000 (minimum):	1.00%
\$1,000,001 –\$3,000,000	.75%
\$3,000,001- \$5,000,000	.50%

\$5,000,001-\$10,000,000	.35%
\$10,000,001 - \$15,000,000	.25%
\$15 million and over	.20%

In addition to the flat fee or percentage-based fees, AWA may also receive from its clients a **discretionary supplemental fee** (commonly referred to as the “discretionary bonus”) for work performed in a given time period. The supplemental fee is not mandatory and always given at the discretion of the client, and is not billed for by AWA or mandated by the respective investment advisory contract. The primary purposes of the discretionary supplemental fee are (a) recognition of high quality and/or the value the client places on AWA’s services, and (b) recognition of time-intensive projects.

## **Billing**

AWA bills clients either monthly, quarterly, or semi-annually, depending on the client’s preference. Nearly all of AWA’s clients are billed directly, and clients remit payment via check or wire. One client, for convenience purposes, has authorized AWA through the Custodian(s) to debit the client's account for the amount of AWA's fee and to directly remit that management fee to AWA in accordance with applicable custody rules. The Custodian(s) recommended by AWA have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management of fees paid directly to AWA. AWA’s clients are free to choose their preferred billing method and how often they are billed, and each client’s fee arrangement is carefully and accurately described in the written advisory Agreement with AWA.

## **Miscellaneous Fees Not Paid to AWA**

Financial institutions where clients custody assets shall include, but are not limited to, Schwab Institutional, Bank of America, JPMorgan Chase, HSBC, BNY Mellon, Vanguard and Wells Fargo Bank, and any other broker-dealer recommended by AWA, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "Custodian(s)"). The Custodian may charge brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or exchange traded fund 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 fees and other related expenses which shall be incurred by the client. However, AWA shall not receive any portion of these commissions, fees, and costs. Fees charged by any of the broker-dealers or custodians are exclusive of and in addition to AWA’s fee.

### **Refund of Fees Upon Termination**

AWA generally charges its fees in advance. For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between AWA and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. AWA's fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

### **Additional Compensation**

Neither AWA nor any of its supervised persons accept compensation for the sale of securities or other investment products. AWA wishes to avoid any situations, arrangements, or incentivized compensation structures that present inherent conflicts of interest, and strives to remain fully objective in any advice it renders.



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

Neither AWA nor any of its supervised persons accept performance-based fees; therefore this section is not applicable.

## Types of Clients

AWA's clients generally consist of high-net worth families and individuals (net worth of \$25,000,000 or more). In addition to holding assets in their individual name(s), these client families often have several entities through which their assets are held, such as charitable organizations, limited liability companies, partnerships, and corporations. AWA does not impose a minimum portfolio size, and may accept clients of any size or waive its fee, based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities.

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

AWA's security analysis methods include charting, fundamental, technical, and cyclical. The investment strategies used to implement any investment advice given to clients include long term purchases, short term purchases, trading, short sales, and margin transactions.

The above described methods of analysis and investment strategies all involve risk of loss and may not be appropriate for all clients, depending on their risk-tolerance level, investment knowledge, and specific situation. Regardless of the method of analysis or the investment strategy used, investing in securities involves risk of loss that clients should be prepared to bear.

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.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **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**

Neither AWA nor its owner, Christopher F. Yannella, has any disciplinary information to report.

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

Mr. Yannella is the sole attorney for the Law Office of Christopher F. Yannella (hereinafter referred to as “Law Office”). Some clients of AWA are also clients of the Law Office. Clients are required to enter into a separate agreement with the Law Office to receive legal services from Mr. Yannella. The relationship between AWA, the Law Office, and client does not create any conflicts of interest; both AWA and the Law Office are fiduciaries and proponents for clients, and serve only the clients’ best interests in an objective manner.

Although AWA provides initial and ongoing due diligence on other investment advisors, and recommends and selects investment advisers for its clients, AWA does not receive compensation directly or indirectly from those advisers.

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

### **Code of Ethics**

AWA 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, AWA's Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by AWA or any of its associated persons. The Code of Ethics also requires that certain of AWA'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. In addition, the Code covers such issues as the confidentiality of client information and the delivery and receipt of gifts by AWA or its access persons. Clients and/or prospective clients may contact AWA to request a copy of its Code of Ethics.

### **Personal Trading**

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

### **Client Transactions**

Generally, AWA and its associated persons will trade simultaneously with clients in block trades. If trading occurs in a limited security, the clients' transactions will always go first. Neither AWA nor any associated persons shall receive preferential treatment in trading or receive a better price than the clients if done simultaneously.

## Brokerage Practices

AWA does not have the authority to determine, without obtaining specific client consent, the broker or dealer to be used. Fees charged by any of the broker-dealers or custodians are exclusive of and in addition to the AWA's fee. Factors which AWA considers in recommending broker-dealers to clients include their respective financial strength, reputation, execution, pricing, research, and service.

### Soft Dollars

AWA may receive from various broker-dealers, without cost to AWA, computer software and related systems support, which allow AWA to better monitor client accounts maintained at that custodian. AWA may receive the software and related support without cost because AWA renders investment management services to clients that, in the aggregate, maintain a certain level of assets at the various broker-dealers. Specifically, AWA may receive the following benefits: referral networks, receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk that exclusively services its Registered Investment Advisor Group participants, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, access to an electronic communication network for client order entry and account information and discounts for the purchase of software.

The commissions paid by AWA's clients shall comply with the AWA's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where AWA determines, in good faith, that the commission is 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 broker-dealer's services, including among others, the value of the research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while AWA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions.



## **Block Trading**

Transactions for each client generally will be effected independently, unless AWA decides to purchase or sell the same securities for several clients at approximately the same time. AWA 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 AWA'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 AWA's clients pro rata to the purchase and sale orders placed for each client on any given day. Commission cost may vary due to volume of assets or method of receipt of confirmations. In the event that AWA 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: cash balances, investment objectives, or limitations in investment guidelines.

A more thorough recital of AWA's trading allocation procedures is contained within its Compliance Manual. In addition, AWA corrects all trade errors through an Error Account at the various custodians. If there is a loss due to a trade error by AWA, AWA will make the client whole. If there is a gain in correcting the trade error, the gain will be retained by the respective custodian or retained in the respective trade error account.

## **Directed Brokerage and Brokerage for Client Referrals**

Due to the fact that AWA implements its trades with the client's selected custodian, it is allowing its clients to direct their brokerage. Accordingly, by directing their brokerage, AWA may not be able to aggregate orders or reduce costs and a client may receive less favorable prices. In addition, AWA does not direct brokerage for client referrals.

## **Review of Accounts**

AWA monitors client portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by Mr. Yannella or his designee(s). AWA endeavors to meet with each client on a quarterly basis, at minimum, depending on the client's availability. All investment advisory clients are encouraged to discuss their needs, goals and objectives with AWA and to keep AWA informed of any changes thereto. AWA 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.

AWA may review a client account if there is a specific situation involving the client or a specific situation involving the markets, which causes a need for a review.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. AWA regularly provides reports to its clients, typically on a monthly basis. These reports are customized for each client and therefore the contents may vary. Generally, these reports may include financial statements, relevant account and/or market-related information such as inventory of account holdings and asset values, asset allocations, and investment performance reports.

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

AWA does not directly or indirectly compensate any person for client referrals.

## **Custody**

AWA regularly and continuously monitors Custodians, and recommends Custodians to its clients. Due to various concerns, such as potential for fraud, theft, dishonesty, or FDIC issues, AWA generally endeavors to recommend larger, well-known broker-dealers, banks, and trust companies to act as Custodians to its clients, including, but not limited to, Schwab Institutional, Bank of America, JPMorgan Chase, HSBC, BNY Mellon, Vanguard and Wells Fargo Bank.

To AWA's knowledge, all Custodians mail account statements directly to the clients, and clients should carefully review those statements for accuracy and compare them to any and all reports created by AWA.

### **Investment Discretion**

AWA does not accept discretionary authority to manage client assets and acts solely as a non-discretionary advisor; therefore this section is not applicable.

### **Voting Client Securities**

AWA does not vote proxies. Clients will receive proxies directly from the custodian. Clients may contact AWA to discuss any proxies received.

### **Financial Information**

AWA has never been the subject of a bankruptcy petition. Neither AWA nor its owner Christopher Francis Yannella has any financial circumstances to report.

<b>Additional Information</b>
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