

GlobeFlex Capital, LP

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of GlobeFlex Capital, LP (“GlobeFlex,” the “firm,” or “we”). If you have any questions about the contents of this brochure, please contact us at 858-658-9060. 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 GlobeFlex is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Material Changes

GlobeFlex's most recent update to Part 2 of Form ADV was made in March 2010. GlobeFlex's business activities have not changed materially since the time of that update. However, in 2010 the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by GlobeFlex in prior years.

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Advisory Business

GlobeFlex Capital was founded in January 1994 and is majority owned by Marina Loretta Marrelli and Robert James Anslow. As of December 31, 2010, the firm managed \$3.7 billion on a discretionary basis on behalf of approximately 48 clients.

The firm engages in a general investment advisory business emphasizing U.S. and International equity management using a systematic approach with the general objective of maximizing total returns subject to each client's risk profile and investment guidelines. In addition to the strategies we offer (as outlined below) we also offer custom strategies to meet specific client's needs. Clients may impose reasonable restrictions on the management of their accounts.

Fees and Compensation

GlobeFlex's fees generally vary with the type and size of portfolio managed. The basic annual fee per annum, calculated as a percentage of assets under management, is as follows:

U.S. Small-Capitalization Core and Growth Equity:

0.85% for the first \$25 million;
0.80% for the next \$25 million; and
0.75% for assets in excess of \$50 million.

U.S. Medium-Capitalization Core and Growth Equity:

0.70% for the first \$25 million;
0.65% for the next \$25 million; and
0.60% for assets in excess of \$50 million.

U.S. Large-Capitalization Equity:

0.60% for the first \$50 million;
0.55% for the next \$50 million; and
0.50% for assets in excess of \$100 million.

U.S. Concentrated Equity:

1% of assets under management

International Small-Capitalization Equity:

0.80% for the first \$25 million;
0.75% for the next \$25 million; and
0.70% for assets in excess of \$50 million.

International All-Capitalization Equity:

0.75% for the first \$50 million;
0.70% for the next \$50 million; and
0.65% for assets in excess of \$100 million.

Canadian Small-Capitalization Equity:

0.80% for the first \$25 million;
0.75% for the next \$25 million; and
0.70% for assets in excess of \$50 million.

Fees are payable quarterly in arrears and are generally based on the arithmetic average of the value of portfolio assets as of the end of each month in a quarter. If we were to collect fees from an account in advance, upon termination of the related advisory agreement, we would refund all fees for which services have not been rendered.

Most agreements allow clients to terminate on 30 days' written notice.

The foregoing describes GlobeFlex's *basic* fee schedule; however, fees may be negotiable in certain limited circumstances and arrangements with any particular client may vary from the foregoing. For example, in some cases, for any particular period the percentage to be applied to the amount of assets under management may vary depending on the performance of the account during that period. Any

compensation arrangements in which we receive a share of capital gains will comply with the requirements of Rule 205-3 under the Federal Investment Advisers Act. In some cases our fees may be greater than fees charged by other investment advisers for similar services; in other cases our fees may be lower.

In addition to management fees, clients will incur brokerage and other transaction costs. Please see *Brokerage Practices* below for further information.

Performance Based Fees and Side-by-Side Management

In certain limited circumstances, generally at the client's request, GlobeFlex receives a management fee based on the performance of the account during a specified period (as described above). The firm manages both accounts that are charged a performance-based fee and accounts that are charged an asset-based fee. The management of these accounts side-by-side creates a conflict of interest for GlobeFlex and its supervised persons, including the incentive to favor accounts for which we receive a performance-based fee. GlobeFlex follows procedures intended to ensure that accounts with performance based fees are not favored in trading over other client accounts. Orders for all client accounts buying or selling a security at the same time will generally be aggregated and each participating account will generally receive the average price and pay a proportionate share of transaction expenses. Please see *Brokerage Practices* below for further information.

Types of Clients

We serve primarily institutions (such as pension plans, foundations, and corporations) and high net worth individuals, focusing on accounts we consider large enough to permit efficient management. We also act as general partner and investment manager to two limited partnerships organized to invest in securities, as investment manager for a privately offered investment trust, and as sub-adviser to certain outside pooled investment vehicles, including registered investment companies.

GlobeFlex manages client accounts on a discretionary basis and generally imposes a \$10 million minimum value of assets for starting a small or medium capitalization account. The minimum value of assets for starting a large or all capitalization account is \$25 million. We may waive these dollar value requirements in our discretion; for example, if the client appears to have significant potential to increase the assets under our management to the minimum in a short period of time. Additionally, we act as general partner and investment manager for pooled funds that invest in securities. The minimum investment in those entities is \$250,000, \$500,000, and \$10,000,000 (subject to reduction in the firm's discretion).

Methods of Analysis, Investment Strategies and Risk of Loss

GlobeFlex generally manages the following types of equity portfolios: U.S. small-capitalization; U.S. medium-capitalization; U.S. large-capitalization; international small-capitalization; and international all-capitalization. We also manage portfolios customized pursuant to clients' requests. We have developed a systematic stock evaluation model, implemented through a proprietary technology platform, which analyzes and assists in the selection of stocks for investment or sale based on numerous criteria. Those criteria include rate and stability of growth in earnings per share and cashflow; relative company valuations; relative price strength; company's economic profitability; and earnings per share estimates. We also employ traditional, more qualitative elements of stock analysis. For international securities, we have developed techniques for adjusting earnings and other financial criteria for differences in accounting practices among different countries.

We use financial databases, online information systems, and computerized trading enhancement systems to assist in our investment decision-making, transaction execution, and transaction processing. We also work with specialized vendors to build and maintain customized software which aids various aspects of our investment process.

All of our strategies involve the risk of loss. Equity markets can and do fluctuate significantly and as a result client accounts can fluctuate significantly in value. Investing in small and medium capitalization companies presents additional risk as the stock prices for these companies tend to be more volatile than for large capitalization companies. International equity investing presents additional risks including differences in accounting practices, currency risk, and political risk among others.

Disciplinary Information

GlobeFlex and its employees have not been involved in any legal or disciplinary events in the past 10 years that would be material to a client's evaluation of the company or its personnel.

Other Financial Industry Activities and Affiliations

GlobeFlex is the general partner of and investment adviser to GlobeFlex International Partners, L.P., GlobeFlex International Partners (QP), L.P., and GlobeFlex International All Cap Trust (the "Funds"), pooled investment funds formed to invest principally in securities using essentially the strategies and techniques described above. Clients do not engage GlobeFlex to advise them as to the appropriateness of investing in the Funds, and we do not receive any compensation for selling interests in the Funds. However, because of the firm's relationship to the Funds, should a person or entity that is a client invest in a Fund, GlobeFlex could be considered to have recommended that investment.

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

GlobeFlex and our associated persons attempt to avoid conflicts of interest that may arise as a result of the management of clients' portfolios. We have a Code of Ethics that contains policies and procedures intended to, among other things, prevent associated persons and certain relatives from benefiting from any price movement that may be caused by transactions in client accounts or our recommendations regarding securities and otherwise to minimize potential conflicts of interest. As a general rule (but subject to exceptions such as for the seed accounts and the Funds, described below), GlobeFlex does not advise clients to sell securities to or purchase securities from clients. Among other things, our Code of Ethics requires employees to obtain clearance from compliance personnel to buy or sell any security (other than certain government securities and mutual funds) and prohibits certain transactions when the employee knows that the firm is contemplating effecting similar transactions in client accounts. GlobeFlex does not prohibit employees from buying or selling securities that are bought or sold for clients, but the preclearance process helps to mitigate possible conflicts in the event an employee does so. A copy of the firm's Code of Ethics is available upon request.

The firm manages several accounts owned by two principals of the firm (the "seed" accounts), including various US concentrated-capitalization, US flexible-capitalization, and Canadian small-capitalization accounts. These accounts have investment objectives that overlap with the objectives of accounts we manage for clients and therefore buy and sell some of the same securities that client accounts buy and sell. We may be engaged to manage client accounts with the same objectives as these "seed" accounts. While

the seed accounts remain active, they will buy, sell and hold substantially the same securities as those client accounts. The firm follows procedures intended to ensure seed accounts are not favored in trading over client accounts. Orders for all client accounts buying or selling a security at the same time will generally be aggregated and each participating account will generally receive the average price and pay a proportionate share of transaction expenses.

The firm, its principals, and a small number of employees own partnership interests in the Funds. The Funds invest in some of the same securities as various other client accounts. When effecting transactions in those securities at the same time as other clients, the Funds' transactions will be aggregated with other client transactions on an average price basis.

From time to time, we may, at the request of a client or of an investor in a Partnership or in the investment trust we manage, make a donation to a particular charitable organization, which may be the client or investor itself, or in furtherance of a particular charitable cause. Our willingness to make those donations is unrelated to, and has no effect on, our investment management process or decisions, including in relation to trade allocation and aggregation.

Brokerage Practices

GlobeFlex generally determines the broker or dealer through which client transactions will be effected on a transaction-by-transaction basis (although some clients may direct us to use a particular broker or dealer for a portion of the transactions in their accounts). Securities may be purchased from a primary market maker acting as principal on a net basis with no brokerage commission paid by the client and they may also be purchased from underwriters at prices that include compensation to the underwriters. We may use nontraditional execution facilities or agents, such as ITG Posit or other electronic crossing networks or dark pools.

To facilitate orderly and efficient execution of transactions, we generally aggregate the orders of all clients that are buying or selling the same security at the same time. When we do so, participating clients generally receive the average price and share execution expenses proportionately. Accounts in which the firm or its principals have a beneficial interest may participate in aggregated transactions.

Due to a stock's trading liquidity we may not be able to buy or sell the desired amounts for all similarly situated accounts at a single price. In the event an order is "partially filled", the allocation shall be made in the best interests of all the clients in the order, taking into account all relevant factors, including, but not limited to: 1. size of each client's allocation; 2. client's liquidity needs; 3. client's cash needs; 4. previous allocations; 5. specific requirements as stated in the client's investment agreement regarding portfolio makeup and restricted securities; and 6. other unforeseeable factors as encountered under the prevailing circumstances.

In connection with purchases and sales of equity securities made pursuant to the GlobeFlex investment process, GlobeFlex causes client accounts to buy and sell the currencies in which the equity securities are traded (i.e., convert currency into and out of local currencies). GlobeFlex typically initiates a currency transaction on the spot market on the same day it initiates the underlying securities transaction, with settlement to match the settlement of the corresponding equity trade (generally up to three days, although occasionally longer). In pursuit of best execution, GlobeFlex may place currency transactions with a client's custodian or may use other custodians and/or FX brokers or intermediaries.

In selecting broker-dealers, our primary objective is to obtain the best overall execution quality, within each client's given constraints (see Client Directed Brokerage discussion below). In assessing a broker-dealer's ability to provide best execution, historical prices, giving effect to brokerage commissions and

other transaction costs (if any), are a principal factor, but we also consider other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer's willingness to commit capital, the broker-dealer's reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the value of research and brokerage services the broker-dealer provides, and the market for the security.

“Soft Dollars”

In selecting broker-dealers, in most cases we also consider the value of "research" and additional brokerage products and services a broker-dealer has provided or may be willing to provide. This is known as paying for those products and services with “soft dollars.” “Research” products and services may include research reports on particular industries and companies, economic surveys, data and analyses, recommendations as to specific securities, financial databases, online information systems, financial publications, customized software and services, and other products or services that provide us with lawful and appropriate assistance in the performance of our investment decision-making responsibilities. Consistent with Section 28(e) of the Securities Exchange Act (discussed below), brokerage products and services (beyond traditional execution services) consist primarily of computer services and software that permit us to effect securities transactions, enhance trading and perform functions incidental to transaction execution, clearance and settlement.

Our use of soft dollars generally satisfies the requirements of the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. That is, before placing orders with a particular broker-dealer, we determine, considering all relevant factors, that the commissions to be paid are reasonable in light of all the brokerage and research products and services provided by that broker-dealer. We do not typically evaluate the value of those services in relation to any particular transaction or transactions that generate “soft dollar credits” (discussed below) or in relation to investment decisions for any particular account(s). Rather we consider the value those services contribute to our performance of our overall responsibilities to all our clients (or, in some cases, to all our clients with substantially the same investment strategy). As discussed below under “Client Directed Brokerage,” one or more clients may limit their accounts’ participation in specific types of broker-dealer activity, including activities that generate soft dollar credits or otherwise alter their accounts’ relationships with broker-dealers. To the extent doing so prevents their accounts from generating soft dollar “credit,” the accounts that do generate those credits could be viewed as paying for research that benefits the activity-restricting clients.

When we use soft dollars to acquire research and brokerage services and products, the commissions paid may be greater than what another broker-dealer who did not provide research services or products might charge for the same transactions, or than what the same broker-dealer would charge if it were not giving soft dollar “credits” for use in buying research or non-execution brokerages services and products. Notwithstanding compliance with Section 28(e), acquiring products and services with soft dollars may be considered to create a conflict of interest in that we might otherwise pay cash for those products and might therefore have an incentive to use broker-dealers who provide them to avoid having to pay cash.

We may use some products or services not only as "research" (*i.e.*, to assist in making investment decisions for clients or for effecting securities transactions) but for our administrative and other purposes as well. We make a reasonable allocation of the cost of those products and services so that only the portion of the cost that is attributable to our use of the products and services for research or brokerage purposes is paid with commission dollars; we pay the balance. Clients should recognize that our interest in making such an allocation will differ from clients' interests, in that we will have an incentive to maximize the research and brokerage portions of the cost in order to minimize the portion we must pay directly.

Broker-dealers that provide services or products for soft dollars generally establish “credits,” based on past brokerage business, that may be applied as soft dollar payments for research services or products. In other

cases broker-dealers may suggest a level of future business that would fully compensate the broker-dealer for services or products it provides. Because brokerage decisions are based on a number of factors, the business any particular broker-dealer receives during any period may be less than what it considers adequate to compensate it for services or products it provided. However, that business may often exceed many brokers' suggestions, in part because the total brokerage business generated by our clients may be significantly greater than the value of research services and products provided, and in part because the broker-dealers that provide those services or products may also provide superior execution and may therefore be the most appropriate broker-dealers for particular transactions regardless of whether or not they provided such products or services. We do not exclude broker-dealers from receiving business because they do not provide soft dollar products and services, although we may not be willing to pay them the same commission as we would if they provided research products and services.

Our trading personnel continuously monitor transaction results generally to evaluate execution quality provided by particular brokers and dealers. We also evaluate such results from time to time, using both internal analysis and services provided by outside suppliers, to assess the execution quality and to evaluate the reasonableness of the compensation paid to various broker-dealers in light of all the factors described above. In some cases we may pay for soft dollar products and services by asking a broker-dealer with whom we place a transaction to “step out” of a portion of a transaction in favor of a broker-dealer that has provided such products or services. This permits us to use the broker we believe will provide the best execution while paying for valuable services or products provided by others.

Client Directed Brokerage and Other Client-Initiated Arrangements

Some clients may instruct us to use one or more particular broker-dealers in managing their accounts. Those clients may specify that a particular amount of commissions should be sent to those broker-dealers, that all business should be directed to those broker-dealers, or merely that those broker-dealers should be used when all other considerations are equal. Clients may specify that a particular broker-dealer is to be used even though we may be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. Conversely, some clients may restrict our use of a particular broker-dealer or broker-dealer arrangement (such as to avoid participating in soft dollar credit generation), even though we may be able to obtain a more favorable net price and execution from that broker-dealer or through that arrangement. Such restrictions may limit our ability to obtain the best overall price on securities transactions. Some clients may also make arrangements directly with some broker-dealers, independent of their relationship with GlobeFlex, to receive rebates or similar benefits from those broker-dealers when we use those broker-dealers for transactions in their accounts, in lieu of those transactions generating soft dollar credits. These arrangements could be viewed as creating an incentive for the Firm to increase the portion of its overall trading done pursuant to soft dollar arrangements, in order to generate the same amount of soft-dollar credits it would have generated absent those clients' arrangements. To the extent these clients' arrangements allow them to avoid participating in the generation of soft dollar credits, other clients can be viewed as paying for research and brokerage services that provide benefits to the clients that have the special arrangements.

In some cases, we implement clients' directions by asking a broker-dealer with whom we have placed an aggregated transaction to “step out” of a portion of the transaction in favor of a broker to which a client has directed us to send brokerage business – *i.e.*, allow the commissions as to a particular client's portion of the transaction to be paid to that client's directed broker. This is intended to allow clients to obtain the same average price while accommodating directed brokerage requests. However, “step out” arrangements may not be practicable in all cases. Clients who may want to direct us to use a particular broker-dealer should understand that their direction may prevent us from aggregating orders with other clients or from effectively negotiating brokerage compensation on their behalf, and may therefore deprive them of possible advantages that non-designating clients may have.

Review of Accounts

GlobeFlex's Chief Investment Officer, Robert Anslow, its Director of Client Services, Marina L. Marrelli, and others involved in administrative functions, review all accounts monthly to ensure compliance with all investment guidelines, restrictions, and other requirements for each account.

We send reports to clients not less frequently than quarterly. The contents of reports are tailored to the particular needs of clients.

Client Referrals and Other Compensation

GlobeFlex's overriding objective in effecting portfolio transactions (except where otherwise directed by a client) is to seek the best overall execution. We do not generally enter into agreements with or make commitments to broker-dealers under which we are obligated to compensate broker-dealers for client referrals. However, we may allocate brokerage to a broker/dealer who has referred clients, as a result of our selection process and without regard to those referrals. In doing so, we do not pay higher commissions than would otherwise be payable to another broker-dealer.

We may compensate GlobeFlex employees for client referrals, including providing a bonus that is based, at least in part, on the number or amount of client referrals.

Custody

All client assets are held in custody by unaffiliated broker/dealers or banks; however GlobeFlex has access to certain client accounts for which it serves as the General Partner (or similar role). Limited partners of the partnerships will not receive statements from the custodian. Instead the partnerships are subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the partnership's fiscal year end.

GlobeFlex provides clients with investment statements. Clients should compare those statements with any statements received from their custodians and notify GlobeFlex of any discrepancies.

Investment Discretion

Generally, our clients grant us the authority to select which and how many securities to buy or sell and which brokers and dealers to use, subject to specified investment objectives and guidelines and instructions regarding broker-dealer selection. The types of limits placed on the firm's authority are primarily related to maintaining our focus on core/growth equity investments and particular clients' diversification and similar objectives. For example, a client may specify that the investment in any particular stock should not exceed a specified percentage of the value of the portfolio. As a further example, certain clients prevent investments based upon issuer geographic location, business lines of the issuer or other preferences, generally expressed through contractual investment guidelines. GlobeFlex's discretionary authority is typically outlined in the investment management agreement with the client.

Voting Client Securities

GlobeFlex Capital is responsible for voting proxies when instructed and authorized to do so by the client. It is GlobeFlex's objective to vote proxies in the best interests of the client. We have engaged MSCI Brand's ISS Proxy Exchange ("ISS") to analyze proxy issues and make voting recommendations on those issues, and to provide assistance in the administration of the proxy process, including maintaining proxy voting records. GlobeFlex has created proxy voting guidelines in conjunction with ISS, based upon their research and recommendations, which are subject to periodic reviews. In cases where the client provides their own voting guidelines, a custom policy will be adopted. When clients are involved in securities lending programs, GlobeFlex will likely be unable to vote proxies for securities that are out on loan. GlobeFlex has established a detailed proxy voting policy and procedure to comply with the Investment Advisers Act of 1940 regarding proxy voting, identifying and resolving conflicts of interest, and recordkeeping. Our detailed proxy voting policy is available upon request.

Financial Information

GlobeFlex has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

Privacy Policy

Federal privacy laws require that we explain to clients how we handle "nonpublic personal information." This is information that in the course of our relationship with clients, we receive or develop about them. It includes (1) information clients provide to us orally or on applications or other forms and (2) information we develop about clients in the course of providing our services, such as the amount and type of assets that we manage and transactions we place on clients' behalf.

As a general rule, we do not disclose this private information to others. However, we do rely on certain third parties for services that are necessary to enable us to provide our investment services. These may include our attorneys, auditors, prime brokers, and custodians who, in the ordinary course of providing their services to us, may require access to information containing nonpublic client information. In addition, we may disclose nonpublic client information to others with the relevant client's consent, where required by law or judicial process (such as a court order), or otherwise to the extent permitted under the federal privacy laws.

We also restrict access to nonpublic client information among our own personnel. Only those who need the information in order to help us provide investment advisory services have access. It is our policy that, where we are not comfortable a service provider is already bound by duties of confidentiality (e.g., attorneys and auditors), we will require contractual assurances that they will maintain the confidentiality of any nonpublic client information they obtain. We also maintain physical, electronic, and procedural safeguards to guard nonpublic client information.