

# GLOBAL PORTFOLIOS, LLC

## Registered Investment Advisor

**Global Portfolios, LLC**  
**316 Wellesley Road**  
**Philadelphia, PA 19119**

[www.russellwild.com](http://www.russellwild.com)

Form ADV Part 2  
Advisor Brochure  
February 15, 2020

This brochure provides information about the qualifications and business practices of Global Portfolios, LLC. If you have any questions about the contents of this brochure, please contact Russell Wild at 267-774-5134.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Global Portfolios and its principal owner/manager is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Note that registration as an investment advisor does not imply a certain level of skill or training. See the specific background and qualifications of Global Portfolio's key personnel provided in this brochure, in the brochure supplement, and at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes

This brochure presents generally the same content and disclosures as appeared in Global Portfolio's prior Form ADV Part II with accompanying Schedule F disclosure documents, last updated on December 1, 2018, and before that, on April 7, 2017. Although most has remained the same, changes have been made to Section 5 to reflect an increase in hourly fees.

<b>Table of Contents</b>	<b>Page</b>
Section 1. Cover Page	1
Section 2. Material Changes	2
Section 3. Table of Contents	2
Section 4. Advisory Business	3
Section 5. Fees and Compensation	5
Section 6. Performance-Based Fees	6
Section 7. Types of Clients	6
Section 8. Methods of Analysis, Investment Strategies, and Risk of Loss	7
Section 9. Disciplinary Information	8
Section 10. Other Financial Industry Activities and Affiliations	8
Section 11. Code of Ethics	9
Section 12. Brokerage Practices	10
Section 13. Review of Accounts	10
Section 14. Client Referrals and Other Compensation	11
Section 15. Custody	11

Section 16. Investment Discretion	12
Section 17. Voting Client Securities	12
Section 18. Financial Information	12
Section 19. Requirements for State-Registered Advisors	12
Part 2B: Brochure Supplement (Advisory Personnel)	13

This brochure contains 19 sections, in addition to the Part 2B Advisory Personnel Brochure Supplement. This document is not complete without all sections. When a client has not received the Brochure Document(s) at least 48 hours prior to signing the agreement or contract, the client has five business days in which to cancel the agreement or contract, without penalty.

## **Section 4. Advisory Business:**

Global Portfolios, LLC, is a Pennsylvania-domiciled limited liability company; it is not a subsidiary of nor does it control any other entity. Russell Wild is the firm's president, sole shareholder, and designated principal. In addition to Wild's registration as an investment advisor with the Commonwealth of Pennsylvania, he also may register or meet certain exemptions to registration in other jurisdictions in which he conducts business.

Throughout the remainder of this document "I" may be used to refer to Russell Wild, and by extension, to Global Portfolios.

I hold myself to a fiduciary standard, which means that I will act in the utmost good faith and perform in a manner believed to be in the best interests of the client. I put the client first – at all times. I feel that this sets Global Portfolios apart from other types of investment firms that may hold themselves to a "suitability" standard, and do not necessarily place the interests of the client ahead of their own.

I provide primarily investment counseling, although in order to determine a proper level of portfolio risk, it is important that I also delve into other aspects of a client's finances. These may include cash flow, debt management, insurance, retirement plans, and estate issues. I make it clear to each client that it is important to revisit these issues, and rebalance a portfolio, at a minimum of once every 18 months, or more often if there are major changes in a client's economic or health status, unusual market swings, or substantial withdrawals from or additions to the account.

As discussed below in Section 8, I adhere to the belief that markets are largely efficient, meaning that I do not advocate short-term buying and selling, nor stock picking. I advocate a long-term

approach to investing, using mostly low-cost index funds, both mutual funds and exchange-traded funds. Numerous studies have shown that followers of such investment strategies over time will tend to generate better returns with less risk than the vast majority of investors who try to “cherry-pick” stocks, time the market, or both.

A portfolio review by Global Portfolios will result in a written report that delineates investment suggestions, with an explanation of why the suggestions are appropriate. The report also reveals such factors as a given portfolio’s level of risk (both systematic and unsystematic), historical return, liquidity, and tax efficiency. (Systematic risk refers to the risk inherent in the market as a whole; unsystematic risk refers to the risks of individual securities.) I do not hold any client’s money. Never. If I manage a client’s portfolio, the portfolio is generally held in custody at Pershing, LLC, custodial services provided by Shareholders Service Group (SSG), based in San Diego. The client may grant me trading authority, but I run all trades by a client prior to execution.

I do not provide legal, accounting, or tax services. With a client’s consent, I may work with other advisors (e.g., attorneys, accountants, etc.) to assist with coordination and implementation of accepted strategies. Those advisors may bill separately for their services.

I use my best judgment and good-faith effort in rendering all services. I cannot warrant or guarantee any particular level of account performance or that an account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to a client, or the heirs or assignees of a client, for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith with a degree of care, skill, prudence, and diligence that any prudent person acting in a fiduciary capacity would use; any loss arising from the firm’s adherence to a client’s direction or that of a client’s legal agent; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within Global Portfolio’s client agreement is intended to diminish in any way our fiduciary obligation to act in a client’s best interest or in any way limit or waive a client’s rights under federal or state securities laws or the rules promulgated pursuant to those laws.

As of February 15, 2020, Global Portfolios had approximately \$14.5 million of assets under management, held at Pershing/SSG, Fidelity Investments, and Vanguard. All trading in these accounts is done on a non-discretionary basis.

Global Portfolios conducted portfolio reviews for approximately 45 hourly clients over the 12 months prior to February 15, 2020. Most hourly clients have portfolios in the range of \$600,000 to \$6 million. Most clients come either as personal referrals; or have read a book such as Russell Wild’s Index Investing for Dummies, wish to manage their own money, and need someone to “hold their hand” and assist them in making optimal decisions.

A typical first-time portfolio review might take from 8 to 16 hours. The process starts with a detailed questionnaire, followed by a meeting, either in person, by phone, or by Skype to flesh out the answers to the questionnaire, and to make certain that I fully understand a client's financial situation and goals. I then construct a suggested portfolio, which the client and I review together in depth. If adjustments are needed, they are made after this second meeting. Subsequent reviews usually take less time.

Global Portfolios is strictly fee-only. It does not participate in or sponsor wrap-fee investment programs. It receives no commissions of any sort. It accepts no money, hard or soft, from any source other than the client.

Russell Wild d/b/a Global Portfolios has been a registered investment advisor under the Pennsylvania Department of Banking and Securities since January 29, 2004. Before that, I was a registered investment advisor representative. More information about my background and experience is provided in the Part 2B Supplement included at the end of this brochure.

## **Section 5. Fees and Compensation**

As a fee-only firm, Global Portfolio receives no commissions of any sort. It does not recommend "load" funds (i.e., funds that entail the payment of a commission to the fund company or sales agent, either at the time of purchase or sale, or both). Its sole source of revenue is direct payment from clients, and its only obligation is to clients.

My fee for asset management starts at \$6,000 a year, but it can be higher – up to but not exceeding 1.0 percent of assets – depending on the size and complexity of each individual case. The complexity of a portfolio determined on the basis of not only size, but number of accounts, types of accounts, frequency of deposits and withdrawals, and so on.

I generally bill clients whose assets I manage directly on a quarterly basis in advance, although the billing method can be negotiated, and instead of quarterly, may be done biannually or annually. The relationship can be terminated at any time with a pro-rated refund to the client.

Effective March 1, 2020, I will also offer hourly consulting at a rate of \$365 an hour (which represents an increase from the prior rate of \$350 an hour). There is a three-hour minimum engagement. The fee for three hours (\$1,095) is usually requested as a retainer, with the full amount due immediately after services are rendered.

Method of payment is determined on an individual basis, either by check, wire, EFT, or (for those clients with assets under management) automatic payments sent by a bank. I do not take credit cards.

Fees may be negotiated in special circumstances, such as for clients with limited means or other special circumstances, including pre-existing relationships. I reserve the right to decline services to any prospective client for any reason (other than race, color, creed, age, or sexual orientation).

## **Section 6. Performance-Based Fees**

Global Portfolio's fees are not based on a share of capital gains or appreciation, or on any other measure of investment performance. Performance-based compensation may create "moral hazard," or an incentive for Global Portfolios to recommend investments or an investment mix that carry more risk than is warranted for the client. This would pose an obvious conflict of interest.

Side-by-side management refers to a situation where a firm simultaneously manages funds that operate on performance-based compensation (such as hedge funds), along with other funds that do not operate on performance-based compensation. As Global Portfolios employs no performance-based compensation, and manages nothing similar to a hedge fund, there is no side-by-side management.

## **Section 7. Types of Clients**

Clients of Global Portfolios may include individuals, small businesses, and non-profit organizations.

There is no *per se* minimum account size for assets under management, although my yearly minimum of \$6,000 and desire to take no more than 1 percent of assets under management as a fee generally preclude me from managing portfolios of less than \$600,000.

Clients or prospective clients with smaller portfolios are encouraged to work with the firm on an hourly basis, or, in some cases, fees may be adjusted based on special circumstances, as discussed in Section 2.

## **Section 8. Methods of Analysis, Investment Strategies, and Risk of Loss**

I believe that markets are largely efficient. An enormous amount of research shows that asset-class allocation, rather than market timing or stock picking, is what accounts most for portfolio

returns. Low investment-management costs are essential to long-term investing success. As such, I aim to build portfolios that use low-cost, passively managed index mutual funds and exchange-traded funds (ETFs) as their core.

I use state-of-the-art Morningstar software to help measure potential risk and return. To achieve maximum diversification, I attempt to spread clients' money over as many different asset classes (stocks and bonds, value and growth, small- and large-cap, domestic and international, and commodities) as is practical. Larger portfolios may accommodate more asset classes for better diversification.

I recommend primarily ETFs from Vanguard and iShares, and index mutual funds from Vanguard, Dimensional Fund Advisors (DFA), and Fidelity. I also use, on occasion, some actively managed funds, such as Loomis Sayles Bond, The Merger Fund, and several of Vanguard's municipal-bond offerings, and on occasion, a closed-end fund, such as the Central Fund of Canada (a precious-metal fund). I choose these funds for their reasonable costs, solid track records, and lack of correlation to other elements of the portfolio. In large portfolios, I also may employ individual stocks, but only when an asset class is hard to tap in fund form. These may include timber REITs.

A major – perhaps *the* major – part of building any portfolio is to assess the client's risk-return "sweet spot," and I spend considerable time doing this with every client. As part of this process, new clients complete a questionnaire to help us reach agreement on their need for returns and stomach for risk. I then introduce the client to my suggested portfolio, outlining the historical performance and volatility of each of the individual securities, as well as the portfolio as a whole.

Since 2008, a particularly bad year for nearly all portfolios, I have made it a point to discuss with clients how their portfolio would likely have performed that year. I also make it clear that past returns for an asset class only give a general idea of what future returns may be; future returns may also differ significantly.

My general philosophy, which I share with every client, is to take on as much market risk (volatility) as is necessary to attain financial goals – and no more.

Clients need to be aware of the risks involved with investing in a diversified portfolio, and must be able to bear the potential loss in value of any basket of securities.

Specific risks include *market risk, firm research and management, broad-diversification risk, fund risk and tracking-error risk.*

**Market risk**, otherwise known as systemic risk: The stock market as a whole goes down resulting in a decrease in value of client investments. Bond markets can also be volatile, although generally not as volatile as stocks.

**Firm research and management risk:** I conduct research and analyses based upon commercially available software and general market and financial information from the most reputable sources I can find. But I must sometimes rely on the accuracy and validity of such

information. Although all due diligence that can be done is done, there is always the risk that faulty information, or an investment strategy that does not produce expected returns, may negatively affect a client.

**Broad-diversification risk:** A broadly diversified portfolio may generate lower returns than a narrowly focused portfolio or benchmark. Over the long-run, a well-diversified portfolio can be expected to deliver maximum gains for minimal risk. But in the short-run, a portfolio with many asset classes may severely underperform a single asset class. Example: Your globally diversified portfolio will likely underperform the S&P 500 in a year that large U.S. stocks do especially well, and small-cap stocks or foreign stocks do especially poorly.

**Fund risk and tracking-error risk:** Although I make every effort to choose funds that are well-managed, low-cost, and tax-efficient, there is always the risk that any particular fund may underperform other similar funds, may not be the best-priced fund of its kind, or, in the case of an index fund, may fail to track its index, resulting in performance deviating from the asset class. A fund purveyor may also fail to manage its assets in the most tax-efficient manner possible.

## **Section 9. Disciplinary Information**

Neither Global Portfolios, LLC, nor Russell Wild has been involved in any criminal or civil action, administrative enforcement, or self-regulatory organization proceeding that would reflect upon the firm's or the advisor's integrity.

## **Section 10. Other Financial Industry Activities and Affiliations**

The policies of Global Portfolios require the firm to conduct its business activities in a manner that avoids actual or potential conflicts of interest between the firm and its clients, or that may be contrary to applicable laws and regulations. I will disclose to each client, both prior to and throughout the term of an engagement, any conflicts of interest that could reasonably be expected to compromise my impartiality or independence. I have no material relationship with any broker/dealer, banking institution, law firm, accounting firm, annuity consultant, real estate broker, or investment company.

## **Section 11. Code of Ethics**



As a member of the National Association of Personal Financial Advisors (NAPFA) since 2006 (and an associate or student member since 2002), I adhere to NAPFA's code of ethics, which includes the tenets detailed below.

I shall exercise my best efforts to act in good faith and in the best interests of the client.

I shall provide written disclosure to the client prior to engagement, and thereafter throughout the term of the engagement, of any conflicts of interest, which will or reasonably may compromise my impartiality or independence.

I do not receive any compensation or other remuneration that is contingent on any client's purchase or sale of a financial product.

I do not receive a fee or other compensation from another party based on the referral of a client or the client's business.

Following the NAPFA Fiduciary Oath means that I shall:

- \* Always act in good faith and with candor.
- \* Be proactive in disclosing any conflicts of interest that may impact a client.
- \* Not accept any referral fees or compensation contingent upon the purchase or sale of a financial product.

I strive to provide unbiased advice to clients.

I keep all client data private, except as required by law, or when authorization is received from the client to share it. I treat all documents with care, and take care when disposing of them. Relations with clients are kept private.

I strive to maintain a high level of knowledge and ability. I will not provide advice in areas where I feel I am not fully capable.

All of my dealings and recommendation with clients will always be in the clients' best interests. I put clients first.

I endeavor to always take the high road and to be ever mindful of the potential for misunderstanding that can accrue in normal human interactions. I am diligent in keeping my actions and reactions so far above board that a thinking client or other professional would not doubt my intentions.

I strive to comply with all applicable laws and regulations.

I fully describe my method of compensation and potential conflicts of interest to clients, and also specify the total costs of my services and any investment vehicles that I recommend.

I may trade securities in my own accounts that are similar or identical to those I recommend to clients. Because I typically recommend broad-based funds representing many securities, it is unlikely if not impossible for either my client trades or my own to have any substantial impact on the pricing of the securities. Trading practices therefore pose no conflicts of interest, and if any conflict of interest were ever to manifest, I would trade only in the clients' best interest, never in my own.

## **Section 12. Brokerage Practices**

Global Portfolios does not maintain custody of client assets. Nor does it have any affiliation with, or any ongoing agreements with, any custodian of assets. All assets under management must be maintained in an account or accounts at a qualified custodian, generally SSG.

When engaged to provide hourly consulting, I may recommend the institution where assets are currently maintained. Should the client be willing to switch, I may recommend another custodian based on overall needs, cost, and ease of use. As SSG works only with professional investment advisors, clients managing their own money may be guided to open accounts at an "investment supermarket" and discount broker such as Fidelity, Vanguard, or Schwab.

When managing assets directly, I recommend Shareholders Service Group for its excellent customer service, competitive pricing (commission rates, margin interest rates, and other fees), breadth of available investment products, capability to facilitate transfers, financial strength and stability, and a track record of providing fair and accurate trade executions. SSG also provides advantages not available at retail brokerages, such as waiving on loads (an up-front fee) on funds that otherwise require loads. At SSG, I can also purchase Dimensional (DFA) funds for my clients' portfolios; these funds are generally not available to individuals through retail brokerage houses.

I have never received any gifts or other compensation ("soft" money) from Shareholders Service Group or any other brokerage house, nor would I accept such compensation if offered. I have similarly never solicited nor received any client referrals from such institutions.

## **Section 13. Review of Accounts**

For my hourly clients, I recommend a review of accounts, including the appropriateness of investments, financial goals, and cash flow analysis once every 6 months to 18 months. It is the client's responsibility to contact me to arrange for this review. Some clients choose to work with me on a more frequent basis.

For clients with assets under my management, I generally suggest a review and rebalancing of all positions at least once a year for those still adding to their portfolios. For those withdrawing from their portfolios, and therefore needing to generate cash on a regular basis, I generally recommend a review and rebalancing once every six months.

At these times, or more frequently if requested, I may provide performance reports, or clients can gain access to performance reports themselves at any time by visiting their brokerage's website. For clients with assets under management, I use Shareholders Service Group's performance tracking. I coach clients on the appropriateness or inappropriateness of comparing their own portfolio performance to that of various benchmarks;

## **Section 14. Client Referrals and Other Compensation**

Although I am, of course, grateful for all referrals of new clients provided to me by either existing clients or non-clients, I have never offered any compensation for any such referrals, nor do I have any intention of doing so.

I do not engage in solicitation activities as defined by the Pennsylvania Securities Act of 1972.

I may refer clients or prospective clients to other appropriately registered investment advisors and various other professionals, such as attorneys or tax advisors. In such cases, I receive no compensation. I would not accept any compensation if it were offered.

## **Section 15. Custody**

All assets under management are maintained by an unaffiliated, qualified custodian – Pershing, LLC, with custodial services provided by Shareholders Service Group.

No client assets (unless Russell Wild is to be considered his own client) are held by Global Portfolios or Russell Wild.

By virtue of SSG's power-of-attorney agreements, client funds held at Shareholders Service Group may be traded, and withdrawals may be ordered – but clients are always advised of such transactions and their approval is obtained in advance; and all funds withdrawn must, per the custodian, be sent directly to the client (either by mail or by bank transfer).

I do not have the right or the ability to have any client funds sent to me.

Clients receive transaction confirmations and summary account statements directly from the custodian. Unless other arrangements are made, performance reporting is mailed quarterly.

## **Section 16. Investment Discretion**

Global portfolios may provide investment management services under a non-discretionary engagement, making transactions with client approval. By definition and absent a client's written instructions to the contrary, transaction suggestions do not specify the exact price or timing of a trade. Given market fluctuations throughout the trading day (for ETFs), and the inability to buy partial shares, I will typically provide an approximation of the recommended trade amount. Example: I may suggest buying \$5,000 of a particular ETF, but the trade could wind up costing \$4,987 or \$5,014.

## **Section 17. Voting Client Securities**

Global Portfolios does not vote client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by the issuers of securities shall be voted, as well as making all other shareholder elections relative to mergers, acquisitions, tender offers, or other events pertaining to their investments.

## **Section 18. Financial Information**

Due to the nature of the firm's business and services, an audited balance sheet and revelation of assets is not required, and is not included in this brochure. The firm and its management do not have a financial condition that might impair any ability to meet responsibilities to clients, nor has the firm or its management been subject to a bankruptcy petition.

## **Section 19. Requirements for State-Registered Advisers**

Global Portfolios is registered with the Pennsylvania Department of Banking and Securities as a Limited Liability Company (LLC). Russell Wild is the sole executive officer. His formal education, business background, and business activities other than investment advising appear in Part 2B, the Brochure Supplement. All compensation garnered by Russell Wild and Global Portfolios, LLC is "fee-only" – there are never any commissions, never any performance-based compensation, and no compensation from parties other than the client. As outlined in Section 9 above, neither Global Portfolios, LLC, nor Russell Wild has been involved in any criminal or civil action, administrative enforcement, or self-regulatory organization proceeding that would reflect upon the firm's or the advisor's integrity.

## **Part 2B: Brochure Supplement -- Advisory Personnel**

**Russell Wild**, born December 25, 1955, is the firm's president, sole shareholder, and designated principal. He is a resident of Philadelphia, Pennsylvania.

Degrees:

**B.S.**, Business Economics, *magna cum laude*  
The American University, Washington, DC, 1977

**MBA**, with concentration in finance  
Arizona State's Thunderbird School of Global Management, Glendale, AZ, 1980

*Certifications and licenses:*

Passed the Series 65 Uniform Investment Adviser Law Exam, 2003

Graduate Certificate in Personal Financial Planning, Moravian College, Bethlehem, PA, 2004

Registered Financial Advisor, National Association of Personal Financial Advisors (NAPFA), 2006

*Business Background:*

2004 - present: Owner/manager, Global Portfolios, LLC, Registered Investment Adviser, State of Pennsylvania

2003 - present: Registered Investment Adviser Representative, State of Pennsylvania

1994 – present: Freelance financial journalist and author

Russell Wild is a leading authority on index fund investing and exchange-traded funds. He is the author or co-author of nearly two dozen books, including *One Year to an Organized Financial Life*; *Exchange-Traded Funds for Dummies*; *Bond Investing for Dummies*; and *Index Investing for Dummies*. He has written more than 800 articles published in major national magazines, including *The Saturday Evening Post*, *Consumer Reports*, *Parade*, *Reader's Digest*, and *AARP: The Magazine*. He has written for a number of financial trade journals, including *Financial Planning*, *Wealth Manager*, *Financial Advisor*, and the newsletter of the National Association of Personal Financial Advisors. Most of his articles have dealt with investments and retirement planning.

### *Other Business Activities*

Wild estimates that his journalistic endeavors account for roughly one day out of every work week. In no way do Wild's journalistic endeavors present any conflicts of interest with his investment consulting. To the contrary, his research and writing on various financial topics enhance his ability to maintain a high level of professional knowledge and expertise. Other than journalism, Wild has no other business activities.

### *Disciplinary Information*

Neither Global Portfolios, LLC, nor Russell Wild has been involved in any criminal or civil action, administrative enforcement, or self-regulatory organization proceeding that would reflect upon the firm's or the advisor's integrity.

### *Additional Compensation*

Russell Wild has never received any gifts or other compensation ("soft" money) from any other brokerage house, or other company or institution, nor would he accept such compensation if offered. He has similarly never solicited nor received any client referrals from such institutions. He is strictly "fee-only," receiving his only compensation directly from clients.

### *Supervision*

Not applicable.

### *Requirements for State-Registered Advisors*

Neither Global Portfolios, LLC, nor Russell Wild has been involved in any criminal or civil action, administrative enforcement, or self-regulatory organization proceeding that would reflect upon the firm's or the advisor's integrity. Wild has never filed for bankruptcy.

Questions about Global Portfolios, Russell Wild, or this Form ADV Part 2 or its Advisory Personnel Supplemental Brochure may be submitted by contacting Russell Wild directly at 267- 774-5134, or via email to [Russell@Globalportfolios.net](mailto:Russell@Globalportfolios.net).

End of Part 2B: Brochure Supplement