

# SEAWARD

## Management

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### Firm Brochure

Part 2A of Form ADV  
March 26, 2012

This Brochure provides information about the qualifications and business practices of Seaward Management Limited Partnership. If you have any questions about the contents of this brochure, please contact us at 617 224 1900 or email [twoodhouse@seawardmgmt.com](mailto:twoodhouse@seawardmgmt.com). Seaward Management Limited Partnership is an SEC Registered Investment Adviser. However, being a Registered Investment Adviser 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.

Additional information about Seaward Management Limited Partnership is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2: Material Changes

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There have been no material changes since March 15, 2011.

### Item 3: Table of Contents

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## Item 4: Advisory Business

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Seaward Management Limited Partnership (“Seaward,” “We,” “Us,” or “Our”) is registered with the Securities and Exchange Commission as a Registered Investment Adviser. Seaward provides investment counseling and management personally tailored to each client (“You” and “Your”). Founded in 1988, Seaward is owned by the General Partner (Seaward Management Business Trust) and the Limited Partners.

### General Partner, Seaward Management Business Trust:

John G. Bratschi, Trustee  
Kelly A. Morgan, Trustee  
Jeffrey J. St. Mary, Trustee  
Thomas F. Woodhouse, Trustee

### Limited Partners:

John G. Bratschi, Partner and Managing Director  
Kelly A. Morgan, Partner and Managing Director  
Jeffrey J. St. Mary, Partner and Managing Director  
Thomas F. Woodhouse, Partner and Managing Director

### Advisory Board

Christopher T. Barrow, Managing Director  
John J. Cook, Managing Director  
Frederick W. Schultz, III, Managing Director  
Roger D. Scoville, Managing Director

## **Formal Education and Business Background**

Managing Directors are required to have a bachelor’s degree from an accredited college or university, and an advanced degree, Chartered Financial Analyst designation and/or several years of investment related experience. See Part 2B of Form ADV brochure supplement at the end of this document for detailed educational background and business experience of the Managing Directors.

## **Investment Advisory Services**

We believe that you have unique financial goals and circumstances. Our investment services are specifically tailored to your needs and are designed to accommodate varying investment objectives. We manage for you a separate account that consists of a portfolio of individually owned securities that are tailored to fit your investment preferences.

You will have a Managing Director who will work directly with you to discuss and determine your investment goals and requirements. A mutual understanding of your investment objectives will be developed during these discussions and will enable us to properly manage your investments.

The portfolio objectives will be established based on your needs and market conditions. Such considerations are:

- Income distributions from the portfolio
- Significant additions or distributions from your account
- Personal risk tolerance

- Tax rates and personal tax circumstances
- Appropriate asset allocation of equity and debt securities
- Advisability of holding tax-exempt securities
- Condition of the economy and of the stock and bond markets
- Selection of specific securities that affect the structure of the your portfolio

Your objectives may need to be adjusted over time as your circumstances change. You may place restrictions on certain securities or types of securities. Your Managing Director will discuss the benefits and detriments of specific requests with you.

Our portfolio management software, trading platform, contact management system and research tools enable extensive analysis of your accounts. This is accomplished through the ability to review appraisals, summary ledgers, and account activity with several computing software programs. You will receive monthly and/or quarterly account statements from your independent qualified custodian.

### **Types of Investments**

We primarily invest your money in individual stocks and bonds. We may also initiate investments in pooled investments, such as mutual funds and exchange traded funds (ETFs) to participate in certain market sectors on a diversified basis. In some client portfolios we may also invest in preferred stocks or convertible preferred stocks.

For a limited number of clients we may evaluate other types of closely held investments, including hedge funds and private equity investments.

### **Client Assets We Manage**

We manage investments for 649 individual, retirement, small business, charitable foundation, and endowment clients with 1,460 discretionary accounts with a market value of \$ 2,020,649,012 as of December 31, 2011.

### **Seaward Fiduciary Services LLC**

We formed Seaward Fiduciary Services LLC (SFS) to serve as trustee for trust agreements that call for the trustee to be a corporation. SFS is wholly owned by Seaward Management LP and each Managing Director serves as a Member of SFS. After being named trustee, SFS enters into an investment management agreement with Seaward Management. SFS does not charge any fee for serving as corporate trustee. The individual(s) named in the trust who have the authority to appoint the corporate trustee will also sign an investment advisory agreement with Seaward Management so it is clear that Seaward Management will be used as the investment manager.

## **Item 5: Fees and Compensation**

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### **Investment Management Fee**

Seaward charges an investment management fee for the services and advice that we provide. Seaward's fees are charged after the end of every three month billing period and are based on the market value of your investment portfolio we manage.

Our standard fee schedule is as follows:

- 1.00% per annum on the first two million
- 0.75% on the next three million
- 0.50% on the next ten million
- 0.35% on the balance

### **Investment Management Fee Calculation and Payment**

The investment management fee will be calculated by applying the fee schedule to the fair market value of the assets in your account on the last business day of each three-month billing period. Accrued interest on any bond investments is not included in determining the market value. One-fourth of the calculated annual management fee will be payable every three months in arrears. In any partial three-month billing period the management fee will be prorated based upon the number of days in effect during the billing period. The management fee may be prorated at the discretion of the Managing Director for any capital contribution or withdrawal from the account made during the billing period. The fee will generally be paid from your account with a written notice sent to you by us.

### **Negotiability of Advisory Fee**

While it is the general policy of Seaward to charge the standard fee, we may under certain circumstances reduce our fee based on the nature of the investment service. These circumstances include the complexity of the client relationship, type of account or assets managed, future assets, and other related accounts.

### **Custody and Mutual Fund Fees**

There are two types of qualified custodians; banks and brokers. Bank custodians charge a custody fee. In addition, clients who have custody with bank custodians are charged a security trading commission when securities are traded. Brokers who serve as the custodian generally do not charge a custody fee but are compensated through trading commissions, higher fees on money market funds, and service fees for certain activities like bank wire transfers. The discussion of broker transaction costs are discussed in more detail in Item 12, Brokerage Practices.

For investments in mutual funds or other pooled investment vehicles, our management fee is in addition to any fees assessed by the mutual fund or other pooled investment vehicle. When these funds are part of an overall strategy and asset allocation program advised by us, the funds are included in the asset value on which our investment management fee is computed. Since fees are charged within the pooled investment vehicle, two fees are paid with respect to these investments, one to us for investment management services and a second within the pooled investment vehicle.

### **Non-Approved Custodian Fee**

Seaward works with several qualified custodians who will hold your assets. Our ability to get daily electronic downloads of your account enables us to maintain accurate accounting of your account and helps us manage your account. Custodians who do not provide daily electronic downloads of your account information increase our administrative efforts. We maintain a list of approved custodians and determine whether a particular custodian will be on the approved custodian list. The primary criterion is the ability to transfer electronically daily portfolio information to Seaward.

If you choose to use the services of a custodian that is not on our approved custodian list, your account will be charged a quarterly fee of \$500, payable in arrears in addition to the investment

management fee. In any partial three-month billing period, the non-approved custodian fee will be prorated. The fee will generally be paid from your account with a written notice sent to you by us.

### **Seaward Fiduciary Services Fees**

If Seaward Fiduciary Services serves as the corporate trustee, it doesn't charge a fee in addition to the investment management fee.

### **Additional Fees and Expenses**

We have provided other services, such as bill paying, to a limited number of clients. Fees for these additional services are fixed and based on the time required and the complexity of work performed. The additional fee charged will be mutually determined with you after having a discussion of the services that will be provided.

### **Termination of the Advisory Relationship**

The investment management agreement may be terminated by either party at any time upon receipt of written notice. Any outstanding management fees will be prorated.

## **Item 6: Performance Based Fees and Side by Side Management**

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We do not charge performance based fees.

## **Item 7: Types of Clients**

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We provide investment counseling and management to individuals, trusts, estates, charitable organizations, endowments, small businesses, banks, pension plans, and retirement plans. The majority of Seaward's clients are individuals.

We typically require a \$1 million minimum dollar value to initiate our investment management services. Exceptions are made to this minimum dollar value based on other accounts managed, family relationships, and the type of investments held.

## **Item 8: Method of Analysis, Investment Strategies and Risk of Loss**

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We utilize and analyze numerous inputs to aid us in the investment decision making process. These include:

- Research from independent research providers and brokerage firms ("Wall Street")
- Meetings and daily analytical reports provided from independent research services
- Meetings, conference calls and webinars with corporate managements
- Corporate regulatory filings

Our investment team averages over 30 years experience and many of us were full time analysts earlier in our careers. As a group, we meet weekly to discuss investment ideas and portfolio holdings. Informal discussion is constant and ongoing.

## **Stock Investment Process**

Our stock investment process can be characterized as a four-step program that attempts to identify higher quality, large and mid capitalization companies with reasonable valuations across all economic sectors. Having this investment style, we are considered to be GARP managers. This acronym refers to Growth at A Reasonable Price. In addition, we search for trends or “themes” that will provide certain sectors, industries and companies the opportunity to grow more rapidly than the economy as a whole.

1. We have access to a database of over 12,000 companies and aim to find those with:
  - Above-average growth of revenue, earnings, and dividends
  - A strong balance sheet with a high return on equity
  - An attractive price/earnings ratio relative to long-term growth prospects.
2. We look for changes in major sectors of the global economy that we believe will drive future growth. Examples of current themes include:
  - Demographic trends (the aging population)
  - The growth of electronic commerce
  - Companies that benefit from greater productivity and technology.
3. We narrow the search through analysis of individual companies in all sectors of the economy. We seek companies with:
  - Strong products or service businesses
  - Superior management
  - Ability to adapt to a changing environment
  - Clearly stated future goals.
4. We use our best ideas to build diversified portfolios. Client portfolios usually hold 25 to 50 stocks. We provide ongoing analysis of each portfolio, and continue to monitor each holding, mindful of low turnover to minimize realized gains.

## **Bond Investment Process**

Seaward’s bond investment process is based on seeking to optimize current income with a portfolio of higher quality bonds that usually have an intermediate average maturity. The following characterizes the steps taken:

- We evaluate the economic and inflation outlook to determine the appropriate portfolio structure and average maturity.
- Seek individual bonds with an investment grade quality (rated ‘BBB’ or higher).
- Select bonds diversified by issuer and market sector.
- Additional diversification may be sought with high yield or international bonds through diversified mutual funds or exchanged traded funds (ETFs).
- Construct a laddered portfolio of bonds with varying maturities that typically has an intermediate average maturity.
- For individuals, we determine whether taxable or tax-exempt bonds are appropriate based on your tax bracket.



## Overall

Each Managing Director is expected to generate investment ideas and play an active role in the investment decision process. Following discussion with colleagues, the decision to purchase or sell a specific stock is the responsibility of the Managing Director. Investment guidelines and objectives are specific for each client and the Managing Director is best able to make the decision as to the appropriateness of a particular security in your account. The sale of a security could be triggered by:

- Limiting concentration in any one stock or market sector
- High fundamental valuation
- Changes in fundamental expectations
- Change in expectations for inflation or economic growth.
- Changes in government regulations or taxes
- Changes with the political stability of governmental entities

The on-going turnover for managed portfolios tends to be modest. Your personal tax bracket and sensitivity to capital gains may result in your preference to minimize capital gains. Turnover can be much higher if you change your investment objectives or transfer into your investment account securities that we do not manage. In addition, turnover could be higher in the event of dramatic market or economic changes.

Our internal processes are focused on serving you and managing your investment portfolios. We believe managing your portfolios should follow individually tailored set of objectives that reflect your:

- Income requirements
- Growth expectations
- Liquidity need
- Risk tolerance
- Tax circumstances
- Specific security restrictions

We will discuss the risk and return expectations of the various investment alternatives with you. After there is a mutual understanding of the objectives, and the mix of assets is identified that will most likely achieve your objectives, we are then prepared to structure and manage your portfolio.

The investments in your portfolio are typically individual securities. When appropriate, Exchange Traded Funds (ETFs) or mutual funds are used to gain efficient and broad exposure to a particular investment strategy or asset class. If the efficient management warrants it, your account may be invested entirely in ETFs or mutual funds.

If international investments are determined to be appropriate for you, we seek international exposure in one of three ways:

- US companies that have international revenues
- International securities (stocks or bonds) that trade in U.S. markets (ADRs, for stocks)
- ETFs or mutual funds

In a limited number of circumstances we may purchase or sell foreign securities on non-US exchanges.

**Risk of Loss: How we measure and control risk**

All investing involves a risk of loss and the investment strategy offered by Seaward could lose money over short or even long periods. Performance could be hurt by a number of different market risks including but not limited to:

- Stock market risk, which is the chance that stock prices overall will decline. Stock markets can move in cycles, with periods of rising prices or falling prices.
- Sector risk, which is the chance that significant problems will affect a particular market sector, or that returns from that sector will trail returns from the overall stock market. Daily fluctuations in specific market sectors can be more extreme than fluctuations in the overall market.
- Non-diversification risk, which is the chance that the performance may be hurt disproportionately by the poor performance of relatively few stocks or even a single stock held in a concentrated position.
- Timing risk, which may occur when the time of the investment coincides with periods when the markets are performing poorly.

The appropriate level of investment risk is established by determining the recommended asset allocation of your portfolio. This is based on your investment objectives and the current and expected market conditions. Integral to this assessment is to weigh the risk tolerance against the return expectations for you as outlined by your investment objectives.

Since we manage high quality bonds, the primary risk for fixed income securities is a bond portfolio's duration. Duration is a measure of how sensitive bond prices will change when interest rates change. A secondary risk is credit risk which is monitored and assessed by the credit rating. Risk is controlled by determining the appropriate credit risk and duration limits and managing the portfolio to remain within those parameters.

Equity risk is assessed and controlled through individual security analysis and measured within the portfolio in several ways. Our equity investment style is primarily based on identifying and holding well-managed, higher quality companies that exhibit above average growth and that we attempt to purchase at a reasonable price. Assessment and analysis of various financial measures helps identify attractive securities and monitor the managed equities. In addition, the market sector and individual security concentrations are reviewed to ensure that excessive risk is not being taken as a result of inadequate diversification.

## **Item 9: Disciplinary Information**

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We do not have any legal or disciplinary events to report. In the event that such a legal or disciplinary event occurs, an updated ADV Part 2 Brochure will be delivered to you promptly.

## Item 10: Other Financial Industry Activities and Affiliation

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### **Seaward Fiduciary Services LLC**

We formed Seaward Fiduciary Services LLC (SFS) to serve as trustee for trust agreements that call for the trustee to be a corporation. SFS is wholly owned by Seaward Management LP and each Managing Director serves as a Member of SFS. After being named trustee, SFS enters into an investment management agreement with Seaward Management. SFS does not charge any fee for serving as corporate trustee. The individual(s) named in the trust who have the authority to appoint the corporate trustee will also sign an investment advisory agreement with Seaward Management so it is clear that Seaward Management will be used as the investment manager.

### **Other Service Providers**

Clients and prospective clients regularly ask us for recommendations of attorneys, accountants, custodians, and other personal service professionals. After a discussion of your specific needs, we may provide you with one or more recommendations. We generally recommend other professionals with whom we have worked successfully as part of other client relationships. We do not accept any compensation for providing a professional recommendation to you. From time to time personal service professionals may recommend prospective clients to us. We do not compensate these professionals if they recommend prospective clients to us.

## Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

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### **Code of Ethics and Standards of Professional Conduct**

As a Registered Investment Adviser, we provide investment management and counseling services. We have a duty at all times to place your interests first. Honesty, integrity, respect, and professionalism govern our conduct. We subscribe to all rules and regulations adopted by the Securities and Exchange Commission. In addition, we subscribe to the Code of Ethics and Standards of Professional Conduct adopted by the Chartered Financial Analyst (CFA) Institute. We always try to be sensitive to circumstances, which may create the appearance of a conflict of interest. If such a situation develops, the interest of our clients will come first.

We will conduct ourselves in a professional and ethical manner. In our dealings with you, all of Seaward's employees will adhere to the standards of conduct set by the Securities and Exchange Commission and the CFA Institute.

1. Managing Directors maintain working knowledge of applicable laws, rules, and regulations of any governmental agency that oversees our business activities.
2. For publicly traded securities we will not act upon information which is not generally available to the public. If we become privileged to "inside information", no communication or investment action based on that information will be made until it is available to the public. In addition, we will not knowingly pass on false information.

3. We will not transact personal business that might be viewed as conflicting with the interests of our clients. All Seaward employees are subject to the provisions of the Seaward Management Policy on Personal Security Transactions.
4. We, including members of our family, will not accept gifts, favors, preferential treatment, or special arrangements more than a reasonable value from any:
  - Broker
  - Custodian
  - Investment Adviser
  - Accountant or Estate Planning Attorney
  - Supplier of goods or services
  - Client
  - Prospective client
5. Client accounts subject to the Employee Retirement Income Security Act (ERISA) will not be provided, nor will we accept any gift or entertainment above a de minimus level.
6. We may make an exception with regard to cash and noncash gifts, favors, and entertainment restrictions for clients who are family members of Seaward employees.
7. We will treat your personal information as confidential and the exclusive property of Seaward. Our Privacy Policy is described in more detail under Item 20.
8. We are not permitted to:
  - Defraud a client in any manner
  - Mislead a client, including statements that omit material facts
  - Engage in conduct which would represent fraud upon a client
  - Engage in any manipulative practice with a client
  - Engage in deceptive actions with securities, including price manipulation
  - Knowingly pass on false information

The Chief Compliance Officer (CCO) is appointed by the General Partner of Seaward Management. The CCO is responsible for the publication, issuing, and training for our Code of Ethics. Each year all employees receive a copy of this policy, acknowledge receipt, and agree to follow its terms. The CCO will report any violation of this policy to the Managing Directors for a determination of the appropriate disciplinary action. All employees are required to report to the CCO any violation of this policy, whether by themselves or others. Copies of Seaward's Code of Ethics are available upon request.

### **Participation or Interest in Client Transactions**

Seaward Employees may buy or sell securities for their own personal account (and other related accounts) that are recommended to or held by our clients. We have adopted a policy on personal transactions to ensure that the interest of our clients is placed ahead of the interests of Seaward employees. Under some circumstances the pre-approval of an employee's security transaction is required. This policy also describes which transactions and personal accounts are exempt from the pre-approval process.

The overriding goal of the policy is to place your interests first, and to avoid any transactions that could give the impression of acting against your best interests.

We are required quarterly to provide copies of transaction statements and annually to provide the asset holdings for our personal accounts so the CCO can monitor personal transactions. Copies of Seaward's Personal Transaction Policy are available upon request.

## Item 12: Brokerage Practices

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### **Factors considered in selecting brokers and determining the reasonableness of their commissions:**

Our discretionary authority to manage your account extends beyond the ability to make investment decisions. We also have the ability to choose brokers who make trades to buy and sell securities on your behalf. We always attempt to get the "best execution" when we trade a security.

There are many factors to consider when seeking "best execution". The lowest commission to make a trade does not always result in "best execution". When we have discretion to select brokers, we choose brokers based upon several factors, including:

- execution price
- commission amount
- financial condition of the brokerage firm
- trade settlement execution
- research assistance
- ability to execute trades that are blocked together (discussed below)

The Managing Directors and Trader review our trading commissions several times a year to determine which brokers have been used to place trades. We also review the factors above to determine if one broker should be used more frequently or less frequently. We will also periodically consider the level of trading commissions with the brokers with whom we have discretion to trade.

### **Research and Soft Dollars**

Where we have discretion to select brokers for client security trades, commissions are used not only to make the transaction but also to compensate for investment research provided to us (Soft Dollars). Use of Soft Dollars is permitted under Section 28(e) of the Securities Exchange Act of 1934 and allows us to pay broker-dealers more than the lowest commission available in order to obtain research and brokerage services as long as certain conditions are met. Section 28(e) allows us to use Soft Dollars to pay for research used in the investment decision-making process. Full service brokers provide research and trading services to us as part of an overall package of services. Research and services not obtained from a full service broker (independent research) is purchased and Soft Dollars may be used to pay for these services.

The brokers Seaward uses to execute client transactions changes from time to time as we monitor the quality of their trade execution, performance, service and the value of the research provided.

If a product or service provides research and non-research assistance to us, it is considered mixed-use. An allocation based on our use of the product or service is made to determine the appropriate

percentage of the cost that can be paid with Soft Dollars. The percentage of a product's or service's cost that is determined to be non-research is paid directly by Seaward.

The research products and services may be of value to us in advising our clients, although not all of these services are necessarily useful or of value to us in advising all of our clients. Because some of our clients direct us to use designated brokers, those clients will benefit from the research products and services provided by other brokers used by Seaward but do not bear the associated Soft Dollar costs.

### **Block Trades**

If a security is being purchased for multiple client accounts in which we have full discretion with regard to selection of brokers, the trades can be combined (blocked together) in an attempt to achieve a lower total execution cost. This lowers the commission cost per share for all clients who are part of the block trade. These are the factors we consider when a block trade is possible:

- We generally blocks trades when the trader has multiple orders for the same security that are received by the trader at the same time. Trades received at different times of the day are generally not blocked and are executed as received.
- When we blocks trades, the average share price and all costs are shared pro-rata.
- The liquidity of the security.
- The allocation of trades among accounts is determined before the trade is placed.
- If the blocked order is not completely filled, each client account is allocated its proportionate share. If the trading volume of a security is low relative to the size of Seaward's block trade order, we may choose to trade the security in smaller blocks to minimize the impact on the security price.

### **Cross Trading Bonds**

When we are selling a bond for a client and that bond fits the parameters for another client who we are seeking to buy a bond, we may consider cross trading the bond from one account to the other, without making an actual trade in the secondary market.

Crossing a bond from one client account to another gives the seller and buyer a benefit because the transaction does not execute two transactions on the secondary market. This reduces the overall transaction cost by not having a broker price mark up for the buyer or a mark down for the seller. However, we always go to a broker to determine the appropriate price for this transaction. A broker who has professional knowledge of the type of bond that is being cross traded determines an appropriate market price. Depending upon the dollar size of the trade, an agreed upon transaction cost is determined which is paid to the broker providing this service. The client selling the bond receives the appropriate market price less one half of the transaction cost. The client buying the bond pays the appropriate market price plus one half of the transaction cost.

If we were to make both a sell and a buy in the market, the full transaction costs would be paid by both the buyer and seller. In a crossing trade, the transaction cost is paid only once and shared equally between the client selling and the client buying. Retirement accounts that are governed under ERISA rules are not eligible to cross trade bonds. We do not cross trade stocks.

### **Brokerage for Client Referrals**

In the past we participated in the Charles Schwab & Co. Advisor Network and received client

referrals from Schwab. The Network was designed to help Schwab investors find an independent investment advisor. Schwab is a broker that is independent of us. While we are no longer accepting new referrals from the Network, we continue to pay Schwab a fee for clients previously referred who remain Seaward clients.

We pay Schwab a fee which is a percentage of Seaward's fee on clients accounts referred to us by Schwab. The fee is paid by us and not by the client. Clients referred through the Network are not charged a fee greater than the fee we charge other clients with similar portfolios who were not referred through the Network. The fee to Schwab is structured such that we had an incentive to recommend that client accounts referred to us from the Network be held in custody at Schwab.

Trades for client accounts held in custody at Schwab usually will be executed through Schwab brokerage. This is known as a "directed brokerage" arrangement as described below and may result in not achieving "best execution".

### **Directed Brokerage**

You may direct us to execute security transactions through a specific broker. In addition, a broker may serve as your account custodian and may impose financial costs if trades are not made with them. This is known as a "directed broker" relationship. Trades made through a directed broker may, or may not, be competitive with regard to "best execution". Utilizing a directed broker may mean the loss of the opportunity to negotiate commissions or obtain volume discounts (such as block trading), and may result in less competitive execution. We may consider making a trade with a broker other than the directed broker and incurring an additional fee. This is known as a "trade away" fee. This fee is charged by the directed broker to the client when a transacted security is delivered to or from the client's account when the directed broker also serves as custodian. The "trade away" fee is in addition to any broker cost to execute a security transaction. If you specify a directed broker, we will generally execute a trade with another broker only if we are able to identify a clear benefit after taking into consideration the "trade away" fee.

## **Item 13: Review of Accounts**

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A Managing Director manages your portfolio. Accounts are reviewed on an on-going basis. As our view of individual securities or segments of the markets changes, portfolios affected are reviewed and appropriate action is taken as determined by the Managing Director. The review of your portfolio occurs in three ways:

- Investments are reviewed and assessed by the Managing Directors on an on-going basis. Based on investment decisions for particular securities, portfolios that hold or not hold a specific security are reviewed.
- Individual portfolios are reviewed periodically.
- All accounts are reviewed formally by a Managing Director not less than semi-annually. The Chief Compliance Officer (CCO), or his delegate, monitors these reviews to ensure your investment portfolio is being managed consistent with the investment objectives.

If an account review raises a question as to the appropriateness of a particular investment or asset allocation in your account, the CCO will seek to resolve the question through a discussion with the

responsible Managing Director. If the discussion does not resolve the question, the CCO may bring the matter to the attention of all the Managing Directors for appropriate resolution.

You will receive statements showing the account holdings and transactions from your qualified custodian at least quarterly. The Managing Directors may discuss and review an account with you in person, by email, telephone, or in writing on a frequency tailored to meet your needs.

## **Item 14: Client Referrals and Other Compensation**

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### **Referral Agreements**

Some former Seaward employees and retired colleagues of current Managing Directors may receive indirect compensation for their efforts in developing referrals. This primarily comes in the form of free office space which we provide to these individuals.

We may compensate employees who are not Managing Directors for their efforts in developing new business. These referrals do not affect the management fee paid by you.

### **Transfer Agreements**

We have entered into referral and transfer agreements with other investment advisers when they provide assistance in referring or transferring new clients to Seaward. For each referred or transferred prospect who becomes a client of Seaward, we will compensate the investment adviser a portion of the investment advisory fees collected for a fixed period of time. This referral or transfer compensation does not affect the amount of the management fee paid by the client to Seaward. The compensation paid to the investment adviser is disclosed to the client. The management fee paid by the referred or transferred client is consistent with other Seaward clients.

### **Political Contributions (Pay-to-Play Rule)**

The Pay-to-Play Rule prohibits an adviser and its covered associates from coordinating or soliciting any contribution or payment to a government entity, a related local or state political party or an individual politician where the adviser is providing or seeking to provide investment advisory services to the government entity.

If Seaward wishes to solicit a government entity to be a Seaward client, a record of a 2 year look back of political contributions is needed to comply with the Pay-to-Play Rules. For existing governmental entities that are clients, Seaward employees must not make political contributions to anyone connected to the entity.

## **Item 15: Custody**

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### **Custody of Client Assets**

Your account will be held by a qualified custodian under a separate agreement. Your qualified custodian will hold your cash and securities in safekeeping and provide at least quarterly account statements directly to you. You should carefully review statements received from your custodian and compare the statement to statements you may receive from Seaward. For certain accounts, the



Securities and Exchange Commission considers us to have custody of a client's assets due to the fact that we either are 1) trustee or executor for the account or 2) able to make transfers from the client's custodian account on his/her behalf.

You may seek our recommendation for a custodian. We recommend custodians based on the type of custody service that you need and the ability of the custodian to provide a level of quality that meets your specific needs. We favor the use of custodians that provide direct electronic transfer of transactions from their accounting system to our internal accounting system. This transfer of information ensures accurate records at Seaward, which is an advantage to you and to us.

Custodians that are banks are sometimes preferred by clients for various reasons. Bank custodians, however, charge a custody fee. Custodians who are brokers generally do not charge a custody fee but are compensated through their brokerage commissions, having higher expenses on their money market funds and charging fees for doing bank wire transfers. In recommending custodians to you, we place your interests first, matching your requirements with the custodian best able to meet your specific needs.

#### **Seaward Fiduciary Services or a Seaward Employee serves as Trustee on a Client's Account**

If Seaward Management is retained as the investment advisor for a trust or estate for which Seaward Fiduciary Services or a Seaward employee acting independently is also the trustee or executor, unique issues of control and conflict arise. Our policies and procedures are set up to safeguard client funds that include:

- All checks, wires, and gifts from the account require a senior staff member who is not the individual trustee and an administrative assistant to sign transfer requests in addition to the approval of the trustee.
- A person associated with the account who is not the individual trustee or executor will receive the custodial statements and management fee notices to provide for an independent review.

These guidelines are in place to ensure the accounts are managed in the best interests of the beneficiaries.

## **Item 16: Investment Discretion**

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### **Investment or Brokerage Discretion: Limitation on Authority**

Our investment management agreement gives us full authority to manage your account. You may from time to time place restrictions on which securities and the amount of securities we may buy or sell for you. While we manage most accounts on a discretionary basis, a few are managed on a non-discretionary basis. In these circumstances your approval of each trade is required before the trade is made. The trades are processed after receiving your approval, which may affect the timing and ability to receive "best execution" for the transaction.

You may direct us to use a particular broker when we trade a security (see item 12: Brokerage Practices). If you direct us to use a specific broker, you may be subject to higher commissions, lose the benefit of volume discounts, and may obtain less competitive execution. The cost of brokerage commissions are paid by your account.

## Item 17: Voting Client Securities

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### Proxy Voting

We have adopted policies to ensure that corporate proxies are voted in your best interest. These policies are in accordance with our fiduciary duties and SEC rules. In addition, our proxy voting policies reflect the responsibilities for ERISA accounts set out by the Department of Labor. We utilize an independent proxy service that votes the proxies under policies that have been reviewed and approved by us.

- We agree to vote your proxies when your custodian is able to forward all proxy material to our independent proxy service firm promptly. You may elect to retain proxy-voting responsibilities at any time.
- Proxy matters are conducted in your best interest.
- Conflicts are avoided by voting proxies under the predetermined guidelines of an independent proxy service firm.
- When proxies are forwarded to us, we will make a reasonable effort to vote the proxy in accordance with the recommendations or guidelines of our independent proxy service firm. If there is no recommendation from the proxy firm or if the proxy firm did not receive your proxies, the proxy will be voted in accordance with management's recommendations. We aren't responsible for proxies not received promptly.
- A best effort will be made to accommodate your request to vote on specific proxy issues when you direct us.
- You may obtain information regarding how we voted by making a written request to us for a period of up to two years after the vote deadline.

If you who wish to retain all proxy-voting responsibility, you should notify us in writing. Similarly, if you wish to have specific proxies voted in a manner inconsistent with the guidelines and recommendations of our independent proxy firm, you should notify us in writing. Timely requests will be handled on a best effort basis. We will provide you with a copy of our Corporate Proxy Policy and Procedure upon request.

## Item 18: Financial Information

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### Prepayment of Fees

We do not require prepayment of management fees. All fees are paid quarterly, in arrears. You may request to pre-pay your management fee. This most typically occurs when you are doing year-end tax planning. Any pre-paid fee is reconciled at the next billing date.

Seaward has never filed for bankruptcy and is not aware of any financial condition that is expected to affect our ability to manage your accounts.

## Item 19: Requirements for State Registered Advisers

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Not applicable. Seaward is federally registered with the Securities and Exchange Commission.

## Item 20: Client Privacy

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The privacy of your personal information is important to us. We consider your nonpublic personal information to be private and confidential. We hold ourselves to the highest standards of trust and confidence for any personal information given to us. Seaward's Privacy Notice describes our policies concerning your information and how we protect it.

### Information We Collect

The following are the types of information we can collect from you:

- Information we receive during the initial process of establishing an investment relationship and during the life of the relationship, such as name, address, date of birth, social security number, personal financial statements, tax returns, or more general personal and family information.
- Information we receive from your custodian relating to assets held, security transactions and money transfers.
- Information on your other investment and bank accounts.
- Information we receive from working with your attorney, accountant, or other advisors.

### Information We Disclose

We do not sell your information either during your time as a Seaward client or afterwards if you decide to no longer be a Seaward client. We do not disclose any personal information about present or former clients to anyone, except as required by law or to third party service providers under certain circumstances. For example, we will disclose your personal information to third parties upon a written or verbal request by you. We may also disclose your personal information to third parties who perform administrative services for us with respect to your account to assist us in providing our services to you. We will only share your personal information with third parties if they agree to adhere to our privacy policies and use your information only for the purpose for which it was given to them.

Seaward Fiduciary Services is an affiliate of Seaward Management LP that provides corporate trustee services. Information is shared with Fiduciary Services only upon the client request for corporate trustee services.

### Information Security

We restrict access to your personal information solely to employees and service agents of Seaward who need such information to provide our services to you. All of our employees are required to maintain the security, confidentiality, and integrity of your information. As a business located in Massachusetts, we follow the Commonwealth's Privacy Law for all clients, even if they reside in another state. We maintain physical, electronic, and procedural safeguards to protect client information.

## Item 21: Safeguarding Client Records and Information

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Seaward has policies and a procedure outlined under the title *Safeguarding Client Records and Information Security Plan*. These policies and procedure are designed to:

- Ensure the security and confidentiality of your information
- Protect against any anticipated threats or hazards to the security or integrity of your information
- Protect against unauthorized access to or use of your information that could result in harm, creates a substantial risk of identity theft, or fraud
- Audit our security plan to ensure it's working properly and identify steps that will be taken if a violation should occur

## Item 22: Pricing and Portfolio Valuation

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We utilize an internal portfolio management software system to:

- Facilitate management and reporting of your portfolio
- Calculate the investment performance of your portfolio
- Calculate Seaward's investment management fees

Your managed securities are priced through the custodians who hold the largest amount of Seaward's managed assets. Equities, preferred stocks, bonds, and mutual funds are priced daily based upon the prior business day closing price. Our portfolio accounting system (Axys) will obtain the price for as many securities as are available through BNY Mellon, who is one of the custodians used by many of our clients. If a price is not provided by BNY Mellon, then Axys will attempt to obtain a price through the other client custodians such as State Street Bank, Schwab or Fidelity. Any security for which a price is not available from these sources will be priced by FT Interactive Data Corporation (IDC).

If IDC does not provide a price for a security, we will attempt to manually price the security by obtaining a price from another source such as Bloomberg, FactSet, or the custodian of the security. If a manual price is used, the source of the pricing is documented. If a price cannot be obtained, the security is designated as unsupervised and any value is excluded when calculating the portfolio performance and the investment management fee.

Your assets are held by a qualified custodian who will send you independent account statements at least quarterly. Since we obtain valuation for your assets from a variety of pricing sources, there may be a difference in a security's price provided by your custodian and what we may report to you. In most cases, any price difference is not significant so any fee difference and performance calculation would be negligible. We reconcile each account at least monthly and any significant pricing difference is noted and resolved. If the market value of a portfolio were to be significantly lower at your custodian compared to the method we price your portfolio, the custodian market value would be used.

## Item 23: Anti-Money Laundering ~ Know Your Client

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We are strongly committed to combating money laundering and other illegal activities. To help ensure that we do not engage in and are not used by others to engage in money laundering, we have

established an anti-money laundering program (the “AML Program”). The AML Program is intended to allow us to make a reasonable determination that:

- our clients are not money launderers
- our clients’ funds are not derived from or intended for use in money laundering or other criminal activities.

We manage accounts of foreign clients with assets held at a qualified custodian in the United States. In accordance with applicable law, we may resign from our investment management agreement with the client and notify the appropriate authorities if we believe a client’s funds are likely derived from or intended to further money laundering, or other criminal activities.

## **Item 24: Business Continuity and Recovery Plan**

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We maintain a comprehensive Business Continuity and Recovery Plan that identifies the business teams to manage a disaster situation and to maintain an environment in which to conduct business. It is our goal of being able to restore basic business function for Seaward to operate remotely. This objective could be limited if internet access is not permitted.

In addition to safeguarding client records and information, the plan provides for:

- Redundant back-up computers capable of running all critical software applications at an off-site location in Marlborough, MA.
- Cell phones for Managing Directors and key personnel
- Inventory of hardware and software needs
- The ability to access our network off-site by key employees
- Fan-out telephone lists of employees
- An inventory of major custodians and third party providers and their Business Recovery Plan

## **Item 25: Books and Records**

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We maintain all the books and records that meet or exceed industry retention standards. A minimum of 2 years of Books and Records are kept on-site with all remaining records kept off-site at a secure facility. We use Iron Mountain for their physical document storage service.



# SEAWARD

## Management

Seaward Management Limited Partnership  
265 Franklin Street, 20<sup>th</sup> Floor  
Boston, MA 02110  
617 224 1900 Telephone  
800 759 1050 Toll Free  
617 224 1910 Fax  
[www.seawardmgmt.com](http://www.seawardmgmt.com)

### Brochure Supplement

Part 2B of Form ADV

March 26, 2012

Christopher T. Barrow, CFA, CIC  
John G. Bratschi  
John J. Cook  
Catherine M. Kennedy  
Kelly A. Morgan  
Frederick W. Schultz, III  
Roger D. Scoville  
Jeff J. St. Mary, CFA  
Melissa A. Warneck, CFA  
Thomas F. Woodhouse, CFA, CFP

This brochure supplement provides information about the Partners and Managing Directors that adds to the Seaward Management Limited Partnership brochure. A copy of that brochure precedes this one. Please contact us at 617 224 1900 or at [seaward@seawardmgmt.com](mailto:seaward@seawardmgmt.com) if you did not receive Seaward Management LP brochure Part 2A or if you have questions about the contents of this supplement. Additional information about the individuals listed above is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## Item 2: Educational Background and Business Experience

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### **Christopher T. Barrow, CFA, CIC**

#### **Summary**

- Born 1941
- Harvard College AB; Harvard Business School MBA
- 01/11-Present, Managing Director and Advisory Board Member, Seaward Management
- 11/02-12/10, Trustee, Seaward Management Business Trust
- 02/88-12/10, Partner and Managing Director, Seaward Management
- 09/79-02/88, President and Director, Moseley Capital Management Inc.
- 05/87-02/88, Director, President, and Treasurer, ITB Management Corp.
- 10/76-09/79, Executive Vice President, Keystone Investment Management Co.
- 07/67-09/76, Vice President, Scudder, Stevens & Clark
- 07/69-09/76, Sales Representative, Scudder Fund Distributors

### **Christopher T. (Kit) Barrow, CFA, CIC, Managing Director and Advisory Board Member**

Kit co-founded Seaward Management in 1988. Before Seaward, Kit was the President of Moseley Capital Management, where he managed both mutual funds and individual investment portfolios from 1979 to 1988. As a principle of Seaward, Kit brings his extensive experience and knowledge of non-profit organizations and family wealth management to our clients. Kit started his investment career at Scudder, Stevens & Clark in 1967 as an analyst trainee and later as Vice President and Senior Portfolio Manager. Kit then moved to Keystone Investment Management Company in 1976 where he was a Director and Executive Vice President in 1976. Kit received his undergraduate degree from Harvard and an MBA from Harvard Business School. Kit is a Chartered Financial Analyst and a Certified Investment Counselor. He is a member of the CFA Institute, the Boston Security Analysts Society, and The Boston Economic Club. Interested in education and conservation, he has served on several committees and boards. Currently he is Treasurer and Director of the Miramichi Salmon Association, Inc., a Director of the Atlantic Salmon Federation, and a Member of the Corporation of the Woods Hole Oceanographic Institute.

### **John G. Bratschi**

#### **Summary**

- Born 1961
- Boston University BS; Boston College MSF
- 01/11-Present, Trustee, Seaward Management Business Trust
- 01/08-Present, Partner, Seaward Management
- 09/00-Present, Managing Director, Seaward Management
- 03/97-09/00, Senior Vice President, UAM Investment Services
- 04/89-03/97, Vice President, Fidelity Investments

### **John G. Bratschi, Managing Director**

John joined Seaward in the fall of 2000 after three years as Senior Vice President at UAM Investment Services Inc. John began his career in 1984 as a leasing analyst for Compugraphic Corporation. In 1986, John joined The Boston Five Cents Savings Bank (now part of Citizen's Bank) as a financial analyst. From 1989 to 1997, John worked for Fidelity Investments. Beginning in

1993, he was responsible for Retirement Counseling in Fidelity's Tax Exempt Services Company, providing investment services to the not-for-profit community. John received his B.S. in Business Administration from Boston University in 1984, and a Masters of Science in Finance from Boston College in 1990.

**John J. Cook, Jr.**  
**Summary**

- Born 1943
- Fordham University AB; New York University Graduate Business School MBA
- 01/11-present, Managing Director and Advisory Board Member, Seaward Management
- 03/99-12/10, Partner and Managing Director, Seaward Management
- 10/94-03/99, President, UAM Investment Services
- 02/92-07/94, President, C. S. First Boston Investment Management
- 03/86-02/92, President- Institutional Group, Fidelity Investments

**John J. Cook, Jr., Managing Director and Advisory Board Member**

John joined Seaward in March 1999 after five years as President of UAM Investment Services. John's investment career started in 1966 as a Wall Street analyst. He moved into portfolio management in 1976 with Morgan Guaranty Trust Co., and in 1983, he became Head of Morgan's Institutional Equity Management group. John moved to Boston in 1986 as President of Fidelity Management Trust Company, subsequently adding responsibility for all of Fidelity's institutional investment business. From 1992 to 1994, he was President and Chief Executive Officer of Credit Suisse First Boston Investment Management Inc. John is a Trustee of Fordham University, from which he received his B.A. in economics in 1965. He is a trustee of the Joslin Diabetes Center, and a director of Boston Mutual Life Insurance Company. He is also a former trustee of his son's alma mater, St. Sebastian's School in Needham Massachusetts. John earned an MBA from New York University in 1972.

**Catherine M. Kennedy**  
**Summary**

- Born 1975
- Boston College BA
- 03/00-Present, Trader and Portfolio Associate, Seaward Management
- 09/97-03/00, Portfolio Administrator , Private Asset Management Group at Mellon Financial

**Catherine M. Kennedy, Trader/ Portfolio Associate**

Kate joined Seaward Management in March of 2000. She previously worked as a portfolio administrator in the Private Asset Management Group at Mellon Financial (The Boston Company), where she provided administrative, and client support to several portfolio managers. Kate received a Certificate in Trust and Estate Administration from The New England School of Banking at Williams College, and received her B.A from Boston College in 1997.

**Kelly A. Morgan**  
**Summary**

- Born 1962
- Middlebury College BS; Harvard Business School MBA
- 01/11-Present, Partner, Seaward Management
- 01/11-Present, Trustee, Seaward Management Business Trust
- 07/08–Present, Managing Director, Seaward Management
- 10/96-01/08, Managing Director, Putnam Investments
- 07/88-09/96, Senior Vice President, Alliance Capital Management, LP
- 07/84-07/86, Analyst, Morgan Stanley Asset Management

**Kelly A. Morgan, Managing Director**

Before joining Seaward in July 2008, Kelly spent eleven years with Putnam Investments in Boston. Initially, she was the lead portfolio manager on Global Growth retail and institutional portfolios, and then became Head of Global Equity Research. Finally, she became the Chief Investment Officer for all retail and institutional U.S. Large Cap Growth portfolios. Before Putnam, Kelly spent ten years managing Global Growth Equity portfolios for Alliance Capital Management in New York and London. Before graduate school, she spent two years as an analyst with Morgan Stanley Asset Management. Kelly received her undergraduate degree from Middlebury College in Mathematics (Phi Beta Kappa, Summa Cum Laude) in 1984. She earned her MBA from Harvard Business School in 1988.

**Frederick W. Schultz, III**  
**Summary**

- Born 1946
- Bates College BA
- 04/10 – Present, Managing Director, Seaward Management
- 06/02-03/10, Managing Director, BNY Mellon
- 12/90-05/02, President, Trustee, and Treasurer, Beacon Fiduciary Advisors
- 08/87-12/90, Senior Vice President, University Bank
- 04/72-08/87, Senior Vice President, Brookline Trust Company/Patriot Bank
- 11/68-03/72, Assistant Trust Officer, Security Pacific National Bank

**Frederick W. Schultz, III, Managing Director and Advisory Board Member**

Fred joined Seaward in April 2010 after eight years as Managing Director at BNY Mellon. Fred started his career at Security Pacific National Bank in 1968. Moving to Boston in 1972, Fred was Senior Vice President at Brookline Trust Company and its successors until 1987. Moving to University Bank, he headed the Trust Department until 1990. Following this, Fred founded Beacon Fiduciary Advisors where he was President and Chief Investment Officer until BNY Mellon acquired the firm. Fred received his undergraduate degree from Bates College. He also pursued his studies at Manchester College, Oxford University. He currently serves as a Trustee of the Boston Psychoanalytic Society and Institute.

**Roger D. Scoville**  
**Summary**

- Born 1942
- University of Vermont BA
- 01/11-present, Managing Director and Advisory Board Member, Seaward Management
- 11/02-12/10, Trustee, Seaward Management Business Trust
- 04/88-12/10, Partner and Managing Director, Seaward Management
- 04/86-04/88, President, Roger D. Scoville & Co.
- 09/87-04/88, President, DSI International Management
- 06/65-01/86, Managing Director, Bank of Boston Personal Trust Division and Eagle Investment Associates

**Roger D. Scoville, Managing Director and Advisory Board Member**

Before helping found Seaward, Roger gained broad experience in most aspects of the investment business during twenty years with Bank of Boston. At different times, he was Head of the Bond Department, Director of Research, Endowment Management Division Head and finally Head of the bank's Personal Trust Division. In 1986, Roger formed his own firm to manage private accounts, and to consult with large institutional managers. Roger brings to Seaward a sound fiduciary background, broad portfolio management, and business management experience.

Roger has a degree in Economics from the University of Vermont and is a graduate of MIT's Executive Management Program. He was the Treasurer of the New England Conservatory of Music, the Treasurer of the Appalachian Mountain Club, and a member of the Audit Committee of Children's Hospital Medical Center. He was Chairman of the Board of Trustees of the Newton-Wellesley Hospital and remains a member of the Partners Investment Committee. Roger is a member of Thompson Island Outward Bound's board and Chairman of the Nominating Committee. He is also on Eastern Bank's board where he is Chairman of the Compensation Committee. He is a past President of The Boston Economic Club and a member of the Boston Security Analyst's Society.

**Jeffrey J. St. Mary, CFA**  
**Summary**

- Born 1969
- State University of New York, University of Albany BS
- 01/11-Present, Partner, Seaward Management
- 01/11-Present, Trustee, Seaward Management Business Trust
- 11/07–Present, Managing Director, Seaward Management
- 03/06-11/07, Vice President, Lehman Brothers
- 11/94-03/06, Portfolio Manager, Fortis Investments

**Jeffrey J. St. Mary, CFA, Managing Director**

Jeff joined Seaward in 2007 after spending two years as Vice President at Lehman Brothers. Jeff began his career in 1994 as a research analyst with Harbor Capital Management. In 1996, Jeff became a portfolio manager at Harbor Capital and was responsible for managing over \$1 billion in institutional assets. In 2000 Harbor Capital was acquired by Fortis Investments and in 2003, Jeff assumed responsibility for managing the Private Client & Endowment group for Fortis. Jeff's

primary responsibility was creating customized investment strategies and portfolios for private individuals, families, endowments, and foundations. Jeff received his B.S. in Business Administration from the State University of New York, University at Albany. Jeff is a member of the Boston Security Analysts Society and the CFA Institute.

**Melissa A. Warneck, CFA**  
**Summary**

- Born 1975
- Harvard University AB
- 01/12-present, Managing Director, Seaward Management
- 01/10-01/12, Equity Research Analyst, Fidelity Investments Pyramis Global Advisors
- 06/06-03/09, Equity Research Analyst, Fidelity Investments, FMR
- 03/01-05/06, Equity Research Analyst, Boston Partners Asset Management
- 02/99-02/01, Financial Planner, Prudential Financial Planning Services
- 09/97-01/99, Associate Consultant, Alliance Consulting Group

**Melissa A. Warneck, CFA, Managing Director**

Melissa joined Seaward in 2012, after a decade as an equity research analyst at Fidelity Investments and at Boston Partners Asset Management. At Fidelity, Melissa was an analyst for both Pyramis Global Advisors and for Fidelity Management & Research Company, where she covered companies across all market sectors. Prior to Boston Partners, Melissa worked at Prudential Financial Planning Services, earning her CFP® certification in 2001. Melissa began her career at Alliance Consulting Group, where she researched and analyzed corporate strategy for Fortune 500 companies. Melissa received her undergraduate degree in economics from Harvard in 1997. She is a member of the Boston Security Analysts Society and the CFA Institute.

**Thomas F. Woodhouse, CFA, CFP®**  
**Summary**

- Born 1960
- St. Lawrence University BS; Columbia University BS; Carnegie Mellon University MS
- 01/11-Present, Trustee, Seaward Management Business Trust
- 01/08-Present, Partner, Seaward Management
- 06/07-Present, Chief Compliance Officer, Seaward Management
- 04/01-Present, Managing Director, Seaward Management
- 01/95-04/01, Vice President-Portfolio Manager, Fleet Investment Advisors
- 08/91-01/95, Assistant Vice President-Senior Credit Analyst, Federated Investors.

**Thomas F. Woodhouse, CFA, CFP®, Managing Director and CCO**

Tom joined Seaward Management in April 2001, after six years at Fleet Investment Advisors, where he was a Vice President and Portfolio Manager. While at Fleet he managed investment portfolios for high net-worth clients and charitable funds. Before joining Fleet, he was a Senior Municipal Analyst for Federated Investors in Pittsburgh, Pennsylvania. His focus at Federated was to analyze securities for their tax-exempt bond and money market funds. In addition to serving as a Managing Director at Seaward, he is also the Chief Compliance Officer (CCO) who is responsible for overseeing Seaward's compliance program.

Tom received Bachelor of Science degrees from St. Lawrence University (Mathematics) and Columbia University (Mechanical Engineering) in 1983 as part of a combined program. He received his MBA from Carnegie Mellon University in 1991. Tom is a Chartered Financial Analyst and a Certified Financial Planner™. He is also a member of the Boston Security Analysts Society and the CFA Institute.

## **Professional Designations**

### **Charter Financial Analyst (CFA)**

The Charter Financial Analyst (CFA) designation is an international professional certification issued by the CFA Institute to qualified candidates who complete a series of three examinations. To become a candidate for a CFA charter, candidates must meet one of the following requirements:

- Undergraduate degree and four years of professional experience involving investment decision-making, or;
- Four years qualified work experience (full time, but not necessarily investment related). Candidates may become a CFA charter holder if they successfully pass three course exams, Levels 1, 2, and 3.

The CFA Institute has stated that the average candidate may need approximately 250 hours of study for each of the three levels. The CFA curriculum includes these topic areas: Ethical and Professional Standards; Quantitative Methods (such as the time value of money, and statistical inference); Economics; Financial Reporting and Analysis; Corporate Finance; Analysis of Investments (stocks, bonds, derivatives, venture capital, real estate, etc.); Portfolio Management and Analysis (asset allocation, portfolio risk, performance measurement, etc.). More information is available at [www.cfainstitute.org](http://www.cfainstitute.org).

### **Chartered Investment Counselor (CIC)**

In 1975, the Investment Advisor Association (IAA) established the Chartered Investment Counselor (CIC) Program in order that excellence and experience in the investment counsel profession might be better recognized.

The Charter was designed to recognize the special qualifications of persons employed by IAA member firms whose primary duties are consistent with investment counseling of the Investment Advisers Act of 1940, as well as with the professional responsibilities and professional qualifications of the IAA's Standards of Practice:

- An investment adviser is a fiduciary and has the responsibility to render professional, continuous, and unbiased investment advice oriented to the investment goals of each client.
- To enable a member firm to serve its clients effectively, its investment and managerial personnel should be individuals of experience, ability, and integrity.

The CIC program was initially developed in cooperation with the Institute of Chartered Financial Analysts. Today, a key educational component of the program is the requirement that candidates hold the Chartered Financial Analyst (CFA) designation. In addition to successful completion of the CFA program, the CIC designation requires candidates to demonstrate significant experience (at

least 5 cumulative years) in a position performing investment counseling and portfolio management responsibilities. At the time the charter is awarded, candidates must be employed by an IAA member firm, provide work and character references, endorse the IAA's Standards of Practice, and provide professional ethical information. More information is available at <https://www.investmentadviser.org/eweb/dynamicpage.aspx?webcode=cic>

### **Certified Financial Planner (CFP®)**

Certified Financial Planner professionals are individuals who have met CFP Board's education, examination and experience requirements, have agreed to adhere to high standards of ethical conduct. All CFP® professionals have met:

- Education: CFP® professionals must develop their theoretical and practical financial planning knowledge by completing a comprehensive course of study at a college or university offering a financial planning curriculum approved by CFP Board.
- Examination: CFP® professionals must pass a comprehensive two-day, 10-hour CFP® Certification Examination that tests their ability to apply financial planning knowledge in an integrated format.
- Experience: CFP® professionals must have at least three years of experience providing financial planning services to clients before they can earn the right to use the CFP® certification marks.
- Ethics: As a final step to certification, CFP® professionals agree to abide by a strict code of professional conduct known as CFP Board's Standards of Professional Conduct, which includes the Code of Ethics and Professional Responsibility, Rules of Conduct and Financial Planning Practice Standards.

CFP® professionals must renew their certification every two years. CFP® professionals are required to stay current with developments in the financial planning profession and fulfill ethical obligations. As part of the renewal process, they are required to complete a minimum 30 hours of continuing education every two years, including a course on CFP Board's ethical standards. To search for a CFP® professional in your area, visit CFP Board's Web site at: [www.CFP.net/search/](http://www.CFP.net/search/)

## **Item 3: Disciplinary Information**

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Seaward Management and its employees, including those named above, do not have any legal or disciplinary events to report. If a legal or disciplinary event occurs, an updated ADV Part 2 Brochure Supplement will be delivered to you promptly.

## **Item 4: Other Business Activities**

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Not Applicable. Seaward Managing Directors do not have any other business activities.

## Item 5: Additional Compensation

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Seaward Managing Directors do not receive additional compensation for the amount sales, client referrals or new accounts brought into the firm.

We may compensate Employees who are not Managing Directors for their efforts in developing new business. These referrals do not affect the management fee paid by you.

## Item 6: Supervision

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Managing Directors review recommendations made at our investment meetings for each investment strategy and determine if they agree with the recommendations for their individual clients. Your Managing Director will then implement the investment recommendations in each account, subject to the restrictions and guidelines provided by you.

The security transactions for all Managing Directors are distributed the next day for review. Informal discussions occur if a security trade appears inconsistent with recent recommendations and actions by other Managing Directors. Portfolio reviews are formally performed semi-annually against the established investment objective and asset allocation targets. Oversight of these reviews is made by the CCO and any inconsistencies are brought to the attention of the Managing Director for resolution. Any of these individuals can be reached by calling the telephone number on the cover of this brochure supplement or by sending an email to [seaward@seawardmgmt.com](mailto:seaward@seawardmgmt.com).