

Douglass Winthrop Advisors, LLC

Part 2A of Form ADV

The Brochure

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This brochure provides information about the qualifications and business practices of Douglass Winthrop Advisors, LLC ("DWA"). If you have any questions about the contents of this brochure, please contact us at 212-557-7680. 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 DWA is also available on the SEC's website at:
www.adviserinfo.sec.gov.

Material Changes

DWA's most recent update to Part 2 of Form ADV was made in March 2011. In October 2011, Grant F. Winthrop joined the firm as a Managing Director and portfolio manager. Other than this, DWA's business activities have not changed materially since the time of that update.

Table of Contents

Material Changes	2
Table of Contents.....	2
Advisory Business.....	2
Fees and Compensation	3
Performance Based Fees and Side-by-Side Management	3
Types of Clients	3
Methods of Analysis, Investment Strategies and Risk of Loss	3
Disciplinary Information	5
Other Financial Industry Activities and Affiliations.....	5
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	5
Brokerage Practices.....	6
Review of Accounts.....	7
Client Referrals and Other Compensation	8
Custody.....	8
Investment Discretion.....	8
Voting Client Securities	8
Financial Information.....	9

Advisory Business

DWA primarily provides customized investment management services to high-net-worth individuals, families, trusts and endowments. DWA generally invests client assets in domestic and international stocks, and domestic and bonds, but is not limited to these securities exclusively.

DWA works with each client to establish an appropriate investment strategy. Clients choose from all-equity and balanced strategies, and can impose reasonable restrictions on DWA's management of their accounts.

DWA was founded in 1999 and is owned by its principals. Robert R. Douglass, Jr. and John Winthrop, Jr. each own more than 25% of the firm. As of December 31, 2011 DWA managed \$693 million on a discretionary basis on behalf of approximately 306 clients and \$22 million on a non-discretionary basis on behalf of 6 clients.

Fees and Compensation

Compensation to DWA for individually managed accounts is negotiable and will vary, but typically consists of a percentage of assets under management. Percentage fees for assets under management are generally calculated according to the following schedule:

1.00% on amounts from \$1 to \$5,000,000
0.75% on amounts from \$5,000,001 to \$10,000,000
0.50% on amounts above \$10,000,000

DWA has waived fees for certain clients, such as employees' family members.

DWA charges fees quarterly in arrears based on the account value at the end of the prior quarter. Most clients authorize DWA to deduct fees automatically from their brokerage accounts, but clients may request that DWA send quarterly invoices to be paid by check.

If a client terminates the investment management agreement with DWA in the middle of a billing period DWA will invoice the client for an amount that is pro-rated based on the number of days that the account was managed.

In addition to DWA's investment management fees, clients bear trading costs and custodial fees.

Performance Based Fees and Side-by-Side Management

DWA does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to DWA.

Types of Clients

DWA primarily provides customized investment management services to high-net-worth individuals, families, trusts and endowments. DWA's minimum account size is generally \$1 million, but this amount is negotiable.

Methods of Analysis, Investment Strategies and Risk of Loss

DWA manages both all-equity and balanced portfolios. Balanced portfolios consist of equities and fixed-income securities. The specific mix is determined by the portfolio manager in consultation with the client, and may be shaped by such factors as the client's investment objectives, tolerance for risk, income requirements, written investment policy or other factors considered relevant.

DWA's Investment Committee consists of its six portfolio managers, who work together to conduct fundamental analysis on all stocks recommended for client accounts. This analysis varies depending on the stock in question. The analysis generally includes a review of:

- The issuer's management;

- The issuer's financial statements, including its balance sheet, income statement, and statement of cash flows, along with accompanying footnotes as shown in the issuer's annual report of Form 10-K;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry;
- The security's valuation; and
- Any other factors considered relevant.

The Investment Committee generally meets weekly to discuss existing and prospective investments. Investments are evaluated independently, as well as in the context of clients' existing holdings and sector exposures.

Fixed-income investments include U.S. government, municipal and corporate bonds. Purchases are made by individual portfolio managers in consultation with clients, and are based upon each client's specific needs and guidelines. When evaluating a U.S. government bond, the portfolio manager generally considers such factors as its maturity date, yield and any other factors considered relevant. When evaluating a municipal bond, the portfolio manager generally considers such factors as the credit-worthiness of the issuer as judged by independent ratings agencies, the source of revenue to pay interest and principal to bondholders, maturity date, yield and any other factors considered relevant. When evaluating a corporate bond, the portfolio manager generally considers such factors as the credit-worthiness of the issuer as judged by independent ratings agencies, the issuer's financial statements, prospects for the issuer's industry as well as the issuer's competitive position within that industry, maturity date, yield and any other factors considered relevant.

DWA primarily invests in stocks and bonds for relatively long time horizons, often for a year or more. However, market developments or changes in an issuer's fundamental prospects could cause DWA to sell securities more quickly.

As an accommodation to clients, DWA may hold shares of open-end and closed-end mutual funds ("mutual funds") and exchange-traded funds ("ETFs"). Mutual fund and ETF transactions are done by individual portfolio managers in consultation with clients and are typically in response to the client's desire to have more concentrated exposure to a given asset class, sector or geographic area than can be achieved through the selection of individual securities. When evaluating a mutual fund or ETF for a client, the portfolio manager considers its historical risk and return characteristics, the tenure and qualifications of its portfolio management team, the concentration and volatility of its holdings, its fee structure, its liquidity and any other factors considered relevant. Mutual funds and ETFs typically charge shareholders management fees and other expenses in addition to the fees charged by DWA.

All investments we select are subject to the risk of loss. Equity, mutual fund and ETF investments can fluctuate significantly in value due to a variety of factors that may impact either individual issuers, larger segments of the market as a whole, or both. Fixed-income investments can also fluctuate significantly in value due to changes in interest rates or events impacting the issuers of the debt, or both.

Disciplinary Information

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

Other Financial Industry Activities and Affiliations

DWA does not have any material relationships or arrangements with other financial services companies. As disclosed in Part 2B of our ADV, Grant Winthrop receives a referral fee for certain client investments in funds managed by another registered investment adviser.

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

DWA has adopted a written code of ethics that is applicable to all employees. Among other things, the code requires DWA and its employees to act in clients' best interests, abide by all applicable regulations, and pre-clear and report on many types of personal securities transactions. DWA's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of DWA's code of ethics is available upon request.

DWA's employees are generally permitted to trade alongside client accounts as long as they receive the average price that is applicable to clients and pay their share of any transaction costs. We believe this helps align our interests with our clients and do not believe it presents any conflict of interest. Any proposed employee transaction involving reportable securities such as stocks, bonds and ETFs requires preclearance from the Chief Compliance Officer. No employees are allowed to participate in partially filled orders until all clients' orders have been filled. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

DWA maintains a watch list of securities that are being considered for client accounts, as well as securities already held in client accounts. Any proposed employee transaction involving securities on the watch list requires preclearance from the Chief Compliance Officer. The Chief Compliance Officer does not grant preclearance where it would appear that an employee's trading could disadvantage DWA's clients.

Under certain circumstances an employee might invest in a security that is not considered suitable for client accounts because of size, liquidity, or other factors. A change in these factors could result in the security becoming more suitable for clients.

Brokerage Practices

DWA generally recommends that clients arrange for their assets to be held with Pershing LLC (“Pershing”) or BNY Mellon. DWA has managed client assets held at Pershing and BNY Mellon for many years and has found these custodians to offer good services at competitive prices.

Soft Dollar Benefits

In consideration for a soft-dollar contract existing between DWA and Pershing, DWA receives a subscription to Pershing’s NetX360 system, a news, research, analytics, trading and securities pricing platform that DWA uses to support its clients. DWA uses soft dollars to pay for certain other research related materials, services and conferences which are directly related to the firm’s investment process.

Some of these products and services benefit clients whose accounts are held by other custodians, which could create a conflict of interest between the clients at Pershing, who are indirectly paying for the products and services, and the clients at other custodians who may benefit from the products and services.

DWA also receives certain products and services from Pershing free of charge or at discounted rates. These products and services include:

- The receipt of duplicate client confirmations, statements, and other account information; and
- Direct advisory fee debiting capabilities.

DWA does not believe that clients whose accounts are held by Pershing bear any additional costs in connection with DWA’s receipt of these products and services. However, DWA would not receive these products and services if client accounts were not held in custody and traded by Pershing. DWA’s receipt of these products and services creates a potential conflict of interest in connection with DWA’s recommendation of Pershing.

The Selection of Trading Counterparties

DWA can typically trade accounts held at Pershing using other broker/dealers. However, Pershing charges trade-away fees that, in most cases, DWA believes outweigh any benefits from trading stocks with other brokers. The availability and pricing of bonds varies more widely, so prior to placing a bond trade DWA typically solicits bids from a number of dealers and then executes the trade with the dealer that offers sufficient liquidity and the most favorable pricing.

For clients who elect to have their accounts held by firms other than Pershing, DWA’s approach is generally to trade stocks with the chosen custodian, and to trade bonds with the dealer that offers sufficient liquidity and the most favorable pricing. In some cases,

DWA will trade stocks for non-Pershing clients at Pershing, provided that by doing so the clients do not incur trade-away fees from their chosen custodian.

Some clients may specifically request that their accounts only be traded through a particular broker/dealer. DWA trades these accounts through the firm chosen by the client, which limits DWA's ability to seek best execution. Trading restrictions may result in materially higher trading costs and reduced returns.

Best Execution Reviews

On at least an annual basis DWA's Chief Compliance Officer and its portfolio managers evaluate the pricing and services offered by Pershing and other trading counterparties with those offered by other reputable firms. DWA has sought to make a good-faith determination that Pershing and other chosen trading counterparties provide clients with good services at competitive prices. However, clients should be aware that this determination could have been influenced by DWA's receipt of products and services from Pershing. Historically DWA has concluded that Pershing is as good as, or better than, the other firms that have been considered. DWA would notify its clients if it were to determine that another firm offered better pricing and services than Pershing.

Aggregated Trades

DWA typically aggregates client trades in an effort to treat all clients fairly. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included side-by-side in bunched client trades. If an order is partially filled, clients will have their orders generally filled on a pro rata basis, but orders may be fully filled at DWA's discretion. DWA will seek to complete any unfilled client orders on the next trading day. Employees are excluded from bunched trades whenever client orders are only partially filled.

Client Referrals

DWA does not compensate Pershing or any other custodian or broker/dealer for referring client accounts.

Review of Accounts

Accounts under DWA's management are monitored on an ongoing basis by the Investment Committee members and the Chief Compliance Officer. The Investment Committee members review each account in detail on at least a quarterly basis, as well as in connection with each client meeting. On at least a quarterly basis the Investment Committee members and the Chief Compliance Officer review a number of reports that are designed to identify accounts that are outside the expected ranges for returns, exposure to asset classes, and exposure to industry sectors. Reviews of client accounts will also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Clients receive account statements directly from their chosen custodian on at least a monthly basis. DWA supplements these custodial statements each quarter with reports

provided to each client along with the firm's investment letter. DWA may provide additional reports during client meetings or as requested.

Client Referrals and Other Compensation

DWA pays a portion of its advisory fees to certain individuals who have executed referral agreements with DWA in connection with those individuals' referral of clients to DWA. Any clients referred to DWA by these agents receive detailed disclosure of the compensation arrangement.

Other than the previously described products and services that DWA receives from Pershing, DWA does not receive any other economic benefits from non-clients in connection with the provision of investment advice to clients.

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks. DWA can access many clients' accounts through its ability to debit advisory fees. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by DWA and notify DWA of any discrepancies.

Investment Discretion

DWA has investment discretion over the majority of its client accounts. Clients grant DWA trading discretion through DWA's investment management agreement. As an accommodation, DWA has accepted a number of non-discretionary accounts.

Clients can place reasonable restrictions on DWA's investment discretion. For example, some clients have asked DWA not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis.

Voting Client Securities

In accordance with its fiduciary duty to clients and Rule 206(4)-6 of the Investment Advisers Act, DWA has adopted and implemented written policies and procedures governing the voting of client securities.

As a matter of policy, DWA does not vote proxies for its clients with the exception of certain "delegated" trusts, "directed" trusts and clients that contract with DWA where proxy voting has been a primary provision of their legacy investment management agreement with another investment manager. "Delegated" trusts are those where the corporate trustee (typically a bank) has delegated investment authority to DWA. "Directed" trusts are those in which the trust document itself names DWA as the investment advisor. To help implement, track, manage and memorialize proxy voting for these clients, DWA has engaged an independent corporate governance consulting firm and proxy voting service.

A potential conflict of interest could arise if these clients owned a stock issued by a company for whom another DWA client serves as a director. Certain DWA clients serve as directors or officers of public companies. DWA has not identified any material conflicts of interest in connection with past proxy votes. Absent specific client instructions, DWA will follow the voting recommendation of the independent corporate governance consulting firm that it has retained.

A copy of DWA's proxy voting policies and procedures, as well as specific information about how DWA has voted in the past, is available upon written request.

Financial Information

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

