

Firm Brochure

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of CABOT-WELLINGTON, LLC. If you have any questions about the contents of this brochure, please contact us at: (617) 451-1744, or email us at: awest@cabwel.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC or a state securities authority does not imply a certain level of skill or training.

Additional information about CABOT-WELLINGTON, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

March 14, 2014

Cabot-Wellington, LLC

Item 2: Material Changes

Material Changes since the Last Update

Since March 30, 2013, the last update to this brochure, no material changes have occurred.

Item 3: Table of Contents

Item 2: Material Changes	i
Annual Update	i
Material Changes since the Last Update	i
Item 4: Advisory Business	1
Firm Description.....	1
Principal Owners.....	2
Types of Advisory Services.....	2
Tailored Relationships	3
Client Agreements	3
Other Non-Investment Services	5
Termination of Agreement	6
Assets Under Discretionary and Non-Discretionary Management	6
Item 5: Fees and Compensation	6
Description	6
Fee Billing	7
Other Fees	8
Expense Ratios.....	8
Past Due Accounts and Termination of Agreement	8
Item 6: Performance-Based Fees and Side-By-Side Management.....	9
Sharing of Capital & Other Gains.....	9
Item 7: Types of Clients	9
Description	9
Account Minimums.....	10
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	10
Methods of Analysis.....	10
Investment Strategies	11
Risk of Loss	13
Item 9: Disciplinary Information.....	14
Legal and Disciplinary.....	14

Item 10: Other Financial Industry Activities and Affiliations	14
Financial Industry Activities.....	14
Affiliations	14
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	15
Code of Ethics.....	15
Privacy and Information Security	18
Item 12: Brokerage Practices	19
Selecting Brokerage Firms.....	19
Best Execution	21
Soft Dollars	21
Order Aggregation	21
Item 13: Review of Accounts.....	22
Periodic Reviews	22
Review Triggers.....	22
Regular Reports.....	22
Item 14: Client Referrals	23
Incoming Referrals.....	23
Referrals Out.....	23
Item 15: Custody	23
Account Statements.....	23
Performance Reports.....	23
Item 16: Investment Discretion	24
Discretionary Authority for Trading.....	24
Limited Powers of Attorney	24
Item 17: Voting Client Securities.....	24
Proxy Votes	24
Item 18: Financial Information.....	26
Item 19: Requirements for State-Registered Advisers.....	26

Item 4: Advisory Business

Firm Description

CABOT-WELLINGTON, LLC is a Delaware limited liability company (“Cabot-Wellington,” “we” or “us”), which was founded in 1996 to serve as the family office of Thomas D. Cabot (“TDC”) and Virginia Wellington Cabot.

Cabot-Wellington continues to act as a “single family office” serving the extended TDC family and their trusts, estates, charities, investment funds, property management companies and other legal entities established by such family members or for their benefit (collectively, “TDC Family Clients”).

Cabot-Wellington may also serve, from time to time, a small number of non-TDC Family Clients, principally in-house professional staff of Cabot-Wellington and their immediate families (together with TDC Family Clients, collectively “Clients”).

Cabot-Wellington provides personalized, confidential investment management and financial planning services to Clients. We provide advice through individualized consultation with the Client, which may include: determination of financial objectives, identification of financial problems, cash flow management, investment management, tax planning, education funding, retirement planning, estate planning and insurance review.

Cabot-Wellington also provides administrative, bill-paying, charitable, property management, travel and other “concierge” services to TDC Family Clients.

Cabot-Wellington is strictly a fee-only investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships or other commissioned products (other than interests of the CW Funds to Clients, as disclosed in this brochure). The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder’s fees are accepted.

Cabot-Wellington is managed by a Board of Directors, which meet quarterly. The Board is made up of the four Trustees listed below under the heading “Principal Owners,” as well as the following two individuals:

- James W. Cabot
- Louis W. Cabot

Laura Cabot Carrigan and James W. Cabot serve as the day-to-day Management Committee of Cabot-Wellington.

Principal Owners

The Cabot Wellington Trust (the “CW Trust”) is the sole member of Cabot-Wellington, LLC, a Delaware limited liability company. The CW Trust was formed in November 2006 for the benefit of the grandchildren and future descendants of TDC. The CW Trust approves the election of Cabot-Wellington’s Board of Directors.

The four trustees of the CW Trust (the “Trustees”) are currently:

- Sophie C. Black
- Amanda C. Cabot
- Virginia W. Cabot
- Laura C. Carrigan

These four Trustees, together with the CW Trust, make up the principal owners.

Types of Advisory Services

Cabot-Wellington provides investment advisory services (typically in a supervisory role, also known as asset management services); manages investment advisory accounts not involving investment supervisory services; and furnishes investment advice through consultations. In addition, Cabot-Wellington manages collective investment vehicles for investment by Clients in certain alternative asset classes (as set forth below).

On more than an occasional basis, Cabot-Wellington furnishes advice to Clients on matters not involving securities, such as financial planning matters, taxation issues and trust services that often include estate planning.

Investment advice is typically provided in the form of discretionary management of Client assets by Cabot-Wellington. Some Clients may, however, request that all final investment decisions are approved by the Client. Cabot-Wellington places trades for Clients under a limited power of attorney.

We typically conduct an initial meeting with a prospective Client, which may be in person or by telephone. This meeting is free of charge and is considered an exploratory interview to determine the extent to which investment management, financial planning and other services may be beneficial to the prospective Client.

We then provide to the Client a written evaluation of the Client's initial situation, often in the form of a net worth statement and Investment Guidelines. Thereafter, we provide quarterly appraisals and transaction

reports (via mail or secure web portal) to each Client. Cabot-Wellington reviews each Client's account at least three times per year, but the results of such reviews are not necessarily communicated to the Client, unless immediate changes are recommended or specific areas of concerns are identified. We may also communicate periodic reviews in order to provide reminders of the specific courses of action that have been advised and need to be taken.

Cabot-Wellington does not act as physical custodian of Client's assets. Clients usually grant Cabot-Wellington or its senior officers a banking power of attorney to pay taxes, capital calls, management fees and other bills from a separate checking account established for the Client. Clients are asked to pre-authorize transfers from the investment custodian account to a parallel checking account upon Cabot-Wellington's instruction in order to facilitate payments.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the Client on an as-needed basis. Cabot-Wellington can furnish Clients with recommended estate lawyers, tax accountants and insurance agents. Conflicts of interest will be disclosed to the Client in the unlikely event they should occur.

Tailored Relationships

We document the goals and objectives for each Client in our client relationship management system. We then create Investment Guidelines that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Our agreements with Clients may not be assigned without their consent.

Client Agreements

The following agreements define the typical Client relationships.

Investment Advisory Agreements

Most Clients choose to have Cabot-Wellington manage their investable assets in order to obtain ongoing in-depth financial advice. The scope of work and fee for an Investment Advisory Agreement is provided to the Client in writing prior to the start of the relationship. An Investment Advisory Agreement includes investment management and custody of securities.

Core services include:

1. review of financial objectives and long-term investment goals,

2. establishment of investment objectives, risk tolerance, asset allocation, and guidelines for management of specific investment portfolios,
3. management of portfolios of equities, fixed income and other securities,
4. arranging for custody of securities, and
5. routine periodic review of investment performance.

Although the Investment Advisory Agreement is an ongoing agreement and constant adjustments are required, the length of service to the Client is at the Client's discretion. The Client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Alternative Asset Management

Cabot-Wellington also serves as manager and investment advisor to a series of TDC Family Client funds of funds (the "CW Funds") invested in non-traditional, "alternative" assets. These CW Funds include hedge funds ("marketable" assets) and private real estate, private equity and private venture capital ("non-marketable" assets). The CW Funds invest primarily in other specialist, underlying managers within one of the foregoing investment management styles.

The CW Funds are intended for long term capital appreciation and are highly illiquid (i.e. funds cannot be easily redeemed). Each CW Fund of Funds charges member Clients separate investment management fees that are disclosed in the fund prospectus. The underlying specialist managers within the Fund of Funds will also charge their own separate fees.

Investment Recordkeeping Agreement

For Clients who wish to hold investment assets with Cabot-Wellington for custody and record-keeping only, and not for investment management, a separate, fixed annual fee is charged. The fee for this service is at the annual rate of 0.05%, computed and payable quarterly on the market value of the account assets, with a minimum fee of \$500. This fee is negotiable, and will be waived when the assets are also covered by the Investment Advisory Agreement.

Fiduciary Trust Services Agreement

Cabot-Wellington does not have trust powers and therefore cannot serve as trustee for Client trusts, but its Executive Director and managing directors may agree to serve in this capacity. The fee for fiduciary services is

negotiable, and determined by the individual who is requested to serve as trustee of a trust, and is payable quarterly on the market value of the account assets, with a minimum fee of \$500. This fee may be waived when the assets in trust are also covered by the Investment Advisory Agreement. Irrevocable (complex) trusts may also incur a separate trust administration and custody fee.

Other Non-Investment Services

Cabot-Wellington also provides administrative, bill-paying, charitable grant administration, property management, travel and other “concierge” services to TDC Family Clients. We negotiate annual service fees for these services on a case-by-case basis with the Client. Cabot-Wellington may also provide hourly planning services for Clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is a minimum of \$250 per hour.

- Special Services: All of Cabot-Wellington’s administrative services and financial and general management capabilities are available to support TDC Family Members’ family-wide activities and entities. Service arrangements will be tailored to the needs of the specific situation.
- Charitable Giving Administration: Cabot-Wellington provides administrative and office support to family charitable trusts and foundations, including the Virginia Wellington Cabot Foundation and the Cabot Family Charitable Trust. These services include administration and evaluation of grant proposals and disbursement of approved grants. Cabot-Wellington also provides administrative support for individual charitable giving.
- Tax and Estate Planning: Cabot-Wellington provides oversight and coordination for tax and estate planning activities and projects. Cabot-Wellington also provides administrative support to executors in the settlement of the estates of Clients.
- Tax Return Preparation: Cabot-Wellington will coordinate the use of outside services for the preparation of tax returns for trusts, individuals, and other family activities.
- Personal Financial Services: Cabot-Wellington manages checking accounts and pays bills for individuals and will also provide other personal financial management services, such as cash budgeting and short-term cash investment.
- Office Space and Support: Cabot-Wellington provides office space and related secretarial and administrative support to TDC Family Members requiring these services.

Termination of Agreement

A Client may terminate any of the aforementioned agreements, except the Alternative Asset Advisory Agreements, at any time by notifying Cabot-Wellington in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the Client made an advance payment, Cabot-Wellington will refund any unearned portion of the advance payment.

Cabot-Wellington may terminate any of the aforementioned agreements, except the Alternative Asset Advisory Agreements (provided that Cabot-Wellington may withdraw as Manager of any CW Fund), at any time by notifying the Client in writing. If the Client made an advance payment, Cabot-Wellington will refund any unearned portion of the advance payment.

Assets Under Discretionary and Non-Discretionary Management

As of 12/31/13, Cabot-Wellington manages \$846,571,963 in assets for approximately 78 clients in 195 client accounts. Of this, \$846,571,963 is managed on a discretionary basis in 189 accounts, and \$5,181,349 is managed on a non-discretionary basis in 6 accounts. The above number of client accounts includes pooled vehicles, such as the CW Funds, managed by Cabot-Wellington.

Item 5: Fees and Compensation

Description

The annual Investment Advisory Agreement fee is based on a percentage of the market value of assets under supervision, computed and payable quarterly in advance, according to the following schedule:

1.00% on the first \$1,000,000;
0.85% on the next \$1,000,000 (from 1,000,001 to 2,000,000);
0.70% on the next \$1,000,000 (from 2,000,001 to 3,000,000);
0.55% on the next \$2,000,000 (from 3,000,001 to 5,000,000); and
0.40% on the assets above \$5,000,000.

TDC Family Clients are offered discounts from the foregoing fee schedule as follows. First, they will receive a discount off of the base fee schedule at a rate that will be determined at the beginning of each year (the current family

discount rate is 30%). Second, for a TDC Family Client's investments in companies presently or formerly under the common control of the TDC Family as a group, we provide an additional discount off of the base fee schedule, as determined at the beginning of each year (the current discount rate for holdings in such family companies is 50% of the lowest rate after the family discount (e.g. $0.40\% \times 70\% \times 50\% = 0.14\%$ per annum)).

For fee purposes, "TDC Family Clients" means the lineal descendants of Thomas D. and Virginia W. Cabot, including adoptive children and their descendants unless the marriage is dissolved by divorce, any person who has entered into a declared and permanent relationship in the nature of marriage with a lineal descendant, adoptive child or descendant of an adoptive child and any person acting in the capacity of legal representative for any of the foregoing persons with respect to actions taken in such capacity during the pendency of such representation.

The minimum annual fee, after any such discounts, is \$2,000, which is negotiable. Current Client relationships may exist where the fees are higher or lower than the fee schedule above.

Fees are negotiable. Similar accounts, such as Minor's Trusts, that are related (as determined by Cabot-Wellington) and are being supervised under identical investment objectives, will be grouped for purposes of fee computation.

In addition to the above, Cabot-Wellington charges management fees with respect to each of the CW Funds. Such fees are as described in the offering documents of the applicable CW Fund (fee schedules vary depending on the underlying asset class that such CW Fund is investing in). Cabot-Wellington excludes from its fees based on assets under management (as set forth above) those Client assets held within the CW Funds in order to avoid a double layer of Cabot-Wellington fees on such assets. Underlying funds in which any CW Fund invests, however, will charge fees which will be in addition to the fees charged by the CW Fund.

Fee Billing

Investment management fees are billed quarterly in advance, meaning that Cabot-Wellington invoices the Client before the three-month billing period has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated Client account to facilitate billing. The Client must consent in advance to direct debiting of their investment account as part of the standard Investment Advisory Agreement. A Client will receive a refund on a pro rata basis in the event services are terminated before the end of a quarterly period.

Other Fees

Cabot-Wellington has made arrangements with Fidelity Investments' Family Office Services ("FOS") for brokerage accounts for Clients, and with Boston Private Bank & Trust Company ("Boston Private Bank") for corporate trustee services for certain irrevocable, complex trusts. These are Cabot-Wellington's recommended forms of custody and brokerage, but account owners are free to choose other brokerage or custody arrangements for their transactions. FOS does not charge a separate brokerage custody fee. Boston Private Bank does charge a separate trust asset administration and custody fee. Please see Item 12: Brokerage Practices of this brochure for more information.

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Cabot-Wellington, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with Clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% of assets under management for their services. These fees are in addition to the fees paid by the Client to Cabot-Wellington. Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted. Clients whose portfolios include mutual funds or investment partnerships (other than the CW Funds, dealt with as set forth above) may pay two management and/or custody fees, one to Cabot-Wellington and one to the mutual fund's or investment partnership's advisors.

Past Due Accounts and Termination of Agreement

Cabot-Wellington reserves the right to stop work on any account that is more than 90 days overdue. Any unused portion of fees collected in advance will be refunded within 90 days.

Item 6: Performance-Based Fees and Side-By-Side Management

Sharing of Capital & Other Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities, except in limited circumstances for certain of the CW Funds.

The CW Funds are pooled funds-of-funds that invest in non-traditional, “alternative” assets (such as hedge funds, real estate, private equity and venture capital). For some CW Funds, a performance incentive fee (called a “carried interest”) is charged. This “carried interest” is a percentage -- typically 5% -- of the profits earned by the members of the CW Fund, but only after a certain minimum return has been achieved (a “preferred return”) and, in the case of funds of hedge funds, after exceeding a previous “high water mark”. Clients should review the pertinent fee agreement for the specific CW Fund for more specifics about how these fees are charged.

Performance-based fee structures, such as a “carried interest”, can create a potential conflict of interest. In particular, performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client. Cabot-Wellington discloses to Clients the “carried interest” and potential for conflicts as part of the CW Fund’s offering documents before the Client commits to a CW Fund. Incentive fees will be charged in compliance with Rule 205-3 under the Advisers Act.

Although the CW Funds are managed side by side with client accounts that are not charged a performance-based fee, Cabot-Wellington manages the conflict by making investment in the CW Funds available for all clients that are eligible to invest in such vehicles pursuant to applicable securities laws, and in addition the investments that the CW Funds make are primarily funds of funds investments, such that any client that would not be eligible to invest in the CW Funds would also not be eligible to invest in such investments directly.

Item 7: Types of Clients

Description

Cabot-Wellington acts as a “single family office” serving the extended TDC family and their trusts, estates, charities, investment funds, retirement accounts, property management companies and other legal entities established by them or for their benefit. Cabot-Wellington may also serve,

from time to time, a small number of non-TDC Family Clients, principally in-house professional staff and their immediate families.

As part of the foregoing service, Cabot-Wellington also acts as manager for certain limited liability companies in which a number of TDC Family Clients are investors. The CW Funds in turn invest in alternative asset classes, including: (i) hedge funds and marketable securities, (ii) private equity, (iii) venture capital, and (iv) real estate and other real assets.

Client relationships vary in scope and length of service.

Account Minimums

The minimum annual fee per Client, after any family discounts, is \$2,000. We may have Client relationships at times with fees that are higher or lower than the fee schedule above. Cabot-Wellington has the discretion to waive the minimum account balance. Examples include: accounts where Cabot-Wellington anticipates the Client will add additional funds to the accounts, or accounts of employees of Cabot-Wellington and their relatives, or relatives of existing Clients.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

For traditional stock and bond securities analysis, Cabot-Wellington's methods may include fundamental analysis, technical analysis and cyclical analysis.

The main sources of information that we use include financial newspapers, magazines and the Internet, inspections of corporate activities, research materials prepared by others (including "sell side" brokerage firms and independent "boutique" research services), corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. Cabot-Wellington may also use Morningstar Principia mutual fund information, Valueline and Fidelity's "WealthCentral" service.

Nuland & Arshad, Inc. has been engaged as Cabot-Wellington's principal outside investment sub-advisor for domestic equities and for the CW Funds' investments in real estate, private equity and venture capital.

Cambridge Associates LLC has been engaged as the principal outside investment sub-advisor for CW Funds' investments in hedge funds and for certain of its tax-exempt, charitable Clients.

Cabot-Wellington may also retain other investment consultants from time to time to assist in identifying and monitoring investment managers for specialized asset classes.

Investment Strategies

Cabot-Wellington's investment capabilities have been organized to provide Clients with a full range of options for the administration and management of their portfolios of financial assets. These portfolios include holdings of individuals, revocable trusts, irrevocable trusts, charitable trusts, individual retirement accounts and family business entities.

Cabot-Wellington tailors investment objectives for each Client portfolio to the needs and objectives of the individual Client (with the exception of the CW Funds, which are pooled investment vehicles and the investment objectives of which are determined with reference to the intended asset class). Cabot-Wellington develops the investment strategy for a specific Client based upon the objectives stated by the Client during consultations. The Client may change these objectives at any time. Each Client executes an Investment Policy Statement/Investment Guideline that documents their objectives and their desired investment strategy.

Cabot-Wellington's core investment management service focuses on providing long-term growth of principal and income and preservation of capital in real terms (after inflation) for tax-sensitive portfolios. Cabot-Wellington invests primarily in long-term holdings of high-quality equity and fixed income securities, and will also make use of selected investments in other, non-traditional ("alternative") asset classes, where appropriate.

Cabot-Wellington also assists Clients in selecting outside investment managers, including exchange traded funds, mutual funds and investment partnerships, for more specialized assets and portfolios (such as passive indexation, small-capitalization companies, international equities, hedge funds, commodities, private equity, real estate and venture capital) that are outside of Cabot-Wellington's core investment management capabilities.

Cabot-Wellington conducts the investment process for its core investment management service through the work and interaction of its CW Investment Committee, its Executive Director and its outside Investment Advisors (all as defined below). Its primary sub-advisors are Nuland & Arshad, Inc. and Cambridge Associates LLC, both registered investment advisors located in Boston, Massachusetts (each an "Investment Advisor").

- Nuland & Arshad has been engaged as an Investment Advisor for traditional, publicly-traded equity and fixed income securities, and for certain private "alternative" investments, principally venture capital, private equity and real estate. As part of its sub-advisory service, Nuland & Arshad provides (1) advice on investment strategy and asset

allocation, (2) research and recommendations on individual securities, including assistance in compiling Cabot-Wellington's approved equity stock list, (3) advice on specialized assets such as international equities, private equity, venture capital and real estate and (4) assistance in reviewing individual portfolios. Nuland & Arshad may also serve from time to time as a sub-advisor to the CW Funds. Cabot-Wellington pays Nuland & Arshad a blended annual fee (partially fixed and partially variable) out of Cabot-Wellington's fees. In addition, Gulrez Arshad and James G. Nuland, Jr., the principals of Nuland & Arshad, will at times serve as members of the advisory committee for certain of the CW Funds. No separate compensation will be paid for such service, other than reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with such service.

- Cambridge Associates has also been engaged as an Investment Advisor for certain "alternative" investments, principally hedge funds in two CW Funds, and for certain tax-exempt, charitable Clients. Cambridge Associates has been engaged to provide Cabot-Wellington's hedge fund-of-funds and certain charitable Clients with (1) advice on investment strategy and asset allocation, (2) research, recommendations and due diligence on individual managers and funds, including hedge funds and other specialized assets and (3) monitoring managers and Cabot-Wellington's hedge fund-of-funds and foundation portfolios. Cambridge Associates also may serve from time to time as a sub-advisor to other CW Funds (e.g. performance analysis against industry benchmarks). Cabot-Wellington pays Cambridge Associates a blended annual fee (partially fixed and partially variable) out of Cabot-Wellington's fees.

Cabot-Wellington also offers its TDC Family Clients the opportunity to invest in its CW Funds, a series of "fund of funds" in specialized, non-traditional "alternative asset" classes. Cabot-Wellington serves as Manager and conducts its investment process through the work and interaction of its CW Alternative Asset Advisory Committee, its Executive Director and its outside Investment Advisors (i.e. Nuland & Arshad for private equity, real estate and venture, and Cambridge Associates for hedge funds).

Clients should be aware that investing in securities involves a risk of loss that they should be prepared to bear.

The education requirements and members of CW's Investment Committee and Alternative Asset Advisory Committee are attached as a Brochure Supplement (Part 2B of Form ADV), which are incorporated into Part 2A by reference.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Clients face the following major investment risks:

- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- Political Risk: Overseas investments, especially in emerging markets, are exposed to the risk of political instability, the break down of the rule of law, capital controls, punitive taxes and expropriation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not. The CW Funds, for instance, are invested in highly illiquid assets (such as private real estate, private equity, venture capital and hedge funds subject to long term "lock ups" and "gates" on withdrawals) and will be appropriate only for Clients who have no need for present liquidity with respect to the investment.

- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value. Certain investment managers also use leverage, such as hedge fund managers in the CW Hedge Funds (using margin borrowing and derivatives), which can enhance returns, but also increase losses.

The above noted risks are not intended to be a complete explanation of all the risks involved in Cabot-Wellington's investment strategies and/or investing in any CW Fund. In addition to this brochure, current and potential Clients should carefully read the terms of any agreements to be entered into with Cabot-Wellington, as well as the offering materials of any CW Fund in which they may considering an investment, in their entirety. Such materials may contain a more thorough discussion of the risks involved in any such investment. In addition, potential and current Clients should consult with their own professional advisors before deciding whether to invest with Cabot-Wellington or in any CW Fund.

Item 9: Disciplinary Information

Legal and Disciplinary

Cabot-Wellington and its employees have not been involved in legal or disciplinary events related to past or present investment Clients.

Item 10: Other Financial Industry Activities and Affiliations

Financial Industry Activities

Cabot-Wellington is registered as an Investment Adviser with the Securities and Exchange Commission. It is not registered as, nor does it intend to register as, a securities broker-dealer or a futures commission merchant, commodity pool operator or commodity trading advisor.

Affiliations

Cabot-Wellington advises Clients on investing in limited partnerships and limited liability companies that invest in non-traditional, "alternative" asset classes, such as international securities, hedge funds, private equity, real

estate and venture capital. Cabot-Wellington also acts as Manager of CW Funds (i.e. CW Hedge Funds I-II, CW Real Estate Funds I-III, CW Real Asset 2011, CW Private Equity 2007 & 2011 and CW Venture Funds II-IV), which in turn invest in hedge funds, venture capital partnerships/private equity or real estate partnerships, as the case may be. Cabot-Wellington may advise Clients to subscribe to the CW Funds, and will be paid a separate management fee and, in some cases, it or an affiliated entity (CW Management, LLC) will receive a performance incentive fee, in connection with Cabot-Wellington serving as Manager of these CW Funds. Cabot-Wellington receives no other commission, placement fee or other consideration from the CW Funds.

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

Code of Ethics

The employees of Cabot-Wellington have committed to a Code of Ethics (the “Code”), as part of its *Office Compliance Manual*, that is available for review by Clients and prospective Clients upon request without charge. The purpose of the Code is to set forth certain key guidelines that have been adopted by Cabot-Wellington as office policy for the guidance of all personnel and to specify the responsibility of all employees to act in accordance with their fiduciary duty to Clients and to comply with applicable federal and state laws and regulations.

The Code requires that all employees conduct themselves in accordance with high ethical standards, which should be premised on the concepts of integrity, honesty and trust, and in full compliance with all applicable federal and state laws and regulations concerning the securities industry. The following is a summary of certain provisions of the Code:

Confidential Information

As an investment adviser, Cabot-Wellington has a fiduciary duty to its Clients not to divulge or misuse information obtained in connection with its services as an adviser. Therefore, all information, whether of a personal or business nature, that an employee obtains about a Client’s affairs in the course of employment with Cabot-Wellington should be treated as confidential and used only to provide services to or otherwise to the benefit of the Client. Such information may sometimes include information about non-Clients, and that information should likewise be held in confidence. Even the fact that Cabot-Wellington advises a particular Client should ordinarily be treated as confidential.

The Code sets forth steps employees should take to help preserve confidential information including the following: avoiding inadvertent or accidental disclosure through careless conversation or describing details of a current or proposed trade, investment or transaction in a public place; employing physical safeguards, such as locking file cabinets and using password protected computer files or disks; and careful use of email.

Furthermore, as the family office of the TDC Family, Cabot-Wellington has adopted the policy (the so-called “Chinese Wall”) that all employees will maintain confidences as between TDC Family members and, in particular, that the financial affairs of a TDC Family Client will not be shared with relatives, including those serving in a management role in or advisory capacity to Cabot-Wellington, unless expressly consented to by the family member whose confidential information is to be disclosed (e.g. to permit officers of Cabot-Wellington to sign money transfer instructions on the family member’s behalf).

Fiduciary Duty and Conflicts of Interest

Cabot-Wellington and its employees have a fiduciary duty to Cabot-Wellington’s Clients to act for the benefit of the Clients and to take action on the Clients’ behalf before taking action in the interest of any employee or Cabot-Wellington. The cornerstones of the fiduciary duty are the obligations to act for the Clients’ benefit and to treat the Clients fairly. Clients may therefore expect their fiduciaries to act for the Clients’ benefit and not in their own when a conflict of interest between the Client and the fiduciary arises. No employee should ever enjoy an actual or apparent advantage over the account of any Client.

The Code sets forth several common examples of conflicts of interest including selection of broker-dealers, commissions, gifts, service as a director of a public company, and how such conflicts can be avoided.

Participation or Interest in Client Transactions

Cabot-Wellington and its employees may buy or sell securities that are also held by Clients. As a general rule, if any employee knows of a pending “buy” recommendation or is aware of a pending “sell” recommendation, then that employee (or family member residing in that employee’s household or person or entity over which the employee has control) may not engage in the practice of purchasing or selling stock before Cabot-Wellington takes action for its Clients.

Any trades undertaken for an employee’s own account or for the account of Cabot-Wellington must be done so as not to disadvantage a Client in any way. This means that all employees and their related persons must generally wait to trade a security until all trading in that security for all accounts of

Clients is completed, although in some cases it may be appropriate to aggregate a personal trade with Client trades. Limited exceptions in the *Office Compliance Manual* will be granted for liquid securities where the employee is buying or selling a non-material number of shares, or as part of an aggregate block trade for Clients.

Dealing with Clients as Agent and Principal

The Code requires that employees involved in the situations where Cabot-Wellington is buying or selling securities from a Client or where Cabot-Wellington acts as a broker-dealer for a non-Client in a transaction with an advisory Client disclose to the Client in writing the capacity in which Cabot-Wellington acts, its profits (if it acts as principal) and its commissions (if it acts as agent for another) and obtain the Client's consent. These types of transactions must not be entered into without prior consultation with the Company's Chief Compliance Officer.

Personal Trading

Employees are required to comply with the provisions of the Cabot-Wellington *Office Compliance Manual* to report any personal trades to the Chief Compliance Officer. The Chief Compliance Officer of Cabot-Wellington is its Executive Director (R. Angus West). He reviews all employee trades each quarter. His trades are reviewed by the Assistant Compliance Director (Nancy Galarneau), who can report any questions to the Management Committee. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that Clients of the firm receive preferential treatment. Since many employee trades are small mutual fund trades or exchange-traded fund trades, these trades do not affect the securities markets.

Each employee is required to submit an initial holdings report disclosing to the Chief Compliance Officer the identities, amounts, and locations of all securities owned in all accounts in which he or she has a "beneficial ownership interest." Each new employee must submit such a report within 10 days of commencement of employment. In addition, each employee must disclose similar information within thirty (30) days after the end of each calendar year while employed by Cabot-Wellington.

Material Inside Information

All employees of Cabot-Wellington (in any capacity) and all persons - friends, relatives, business associates and others - who receive nonpublic material inside information from employees concerning an issuer of securities (whether such issuer is a Client or not) are subject to these rules. Generally speaking, inside information is information about an issuer's business or operations (past, present or prospective) that becomes known to an

employee and which is not otherwise available to the public. If a person knows information about an issuer which the person believes would influence an investor in any investment decision concerning that issuer's securities and which has not been disclosed to the public, the person should not buy or sell that issuer's securities. The Code sets forth an extensive list of subjects information about which is likely to be material inside information.

Privacy and Information Security

In addition to the Code of Ethics described above, all current and prospective Clients should be informed that Cabot-Wellington maintains both a Confidential Information Policy and a Privacy Policy (see privacy notice set forth below), including an information security program, to reduce the risk that Clients' personal and confidential information may be breached. Cabot-Wellington also complies with the Massachusetts Information Security Law, which requires it to have a "Comprehensive Information Security Program".

Privacy Notice

Cabot-Wellington is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to it by Clients.

The categories of nonpublic information that Cabot-Wellington collects from a Client may include information about the Client's: personal finances, health to the extent that it is needed for the financial planning process, transactions between the Client and third parties, and information from consumer reporting agencies, e.g., credit reports. Cabot-Wellington uses this information to help the Client meet the Client's personal financial goals.

With the Client's permission, Cabot-Wellington discloses limited information to attorneys, accountants, and mortgage lenders with whom the Client has established a relationship. The Client may opt out from Cabot-Wellington sharing information with these non-affiliated third parties by notifying Cabot-Wellington at any time by telephoning (617) 451-1744, or emailing AWEST@CABWEL.COM, or in person. With the Client's permission, Cabot-Wellington shares a limited amount of information about the Client with the Client's brokerage and custodial firm in order to execute securities transactions on the Client's behalf.

Cabot-Wellington endeavors to maintain a secure office to ensure that Client information is not placed at unreasonable risk. Cabot-Wellington employs a building security system, internet firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

Cabot-Wellington does not provide the Client's personal information to mailing list vendors or solicitors. Cabot-Wellington requires strict confidentiality in our agreements with unaffiliated third parties that require access to Clients'

personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review Cabot-Wellington's records and the Client's personal records as permitted by law.

Personally identifiable information about the Client will be maintained while any person continues to be a Client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

Cabot-Wellington will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to the Client annually, in writing.

Other policies and procedures of Cabot-Wellington beyond those described herein, including policies relating to Business Continuity and Disaster Recovery, are available to Clients upon request.

Item 12: Brokerage Practices

Selecting Brokerage Firms

Cabot-Wellington does not have any affiliation with product sales firms, other than the CW Funds, which are "funds of funds" for non-traditional alternative assets. Specific custodian recommendations are made to Clients based on their need for such services. Cabot-Wellington recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Cabot-Wellington recommends discount brokerage firms and trust companies (qualified custodians), such as Fidelity Investments' Family Office Services ("FOS") and Boston Private Bank & Trust Company ("Boston Private Bank"). Cabot-Wellington does not receive fees or commissions from any of these arrangements. (Individual employees of Cabot-Wellington may receive separate fiduciary fees from Boston Private Bank if they are asked to serve as trustees for trust accounts held there.)

Note that when Cabot-Wellington uses Client commissions (or markups or markdowns) to obtain research of other products or services from a broker-dealer, Cabot-Wellington receives a benefit, because it does not have to produce or pay for the research, product or services. Cabot-Wellington may therefore have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on the Client's interest in receiving most favorable execution.

Cabot-Wellington has made arrangements with FOS for brokerage and custody accounts for Clients and with Boston Private Bank for custody of certain irrevocable trust accounts for Clients. Cabot-Wellington has

negotiated a brokerage commission rate with FOS and a custodian and fiduciary fee with Boston Private Bank that Cabot-Wellington believes are competitive.

Cabot-Wellington believes that the use of FOS's service for trading and custody of both equity and fixed income securities is a cost effective way for Clients to receive both brokerage and custody services because of these rates and because FOS offers Cabot-Wellington the benefit of an integrated package of transaction information and operational services, including electronic transfer of account transactions, holdings, and prices to Cabot-Wellington's portfolio accounting system, that enhances Cabot-Wellington's ability to serve its Clients. This is Cabot-Wellington's recommended form of brokerage, but Clients are free to make other arrangements for their brokerage and custody needs.

Cabot-Wellington may also, from time to time, make arrangements with other, non-custodial brokers to "trade away" at negotiated brokerage commission rates. While the primary criterion for all transactions in portfolio securities is the execution of orders at the most favorable net price, numerous additional factors are considered by Cabot-Wellington when arranging for the purchase and sale of Clients' portfolio securities. These include restrictions imposed by the federal securities laws and the allocation of brokerage in return for certain services and materials described below.

In determining the abilities of the broker-dealer to obtain best execution of a particular transaction, Cabot-Wellington will consider all relevant factors including the execution capabilities required by the transaction(s), the ability and willingness of the broker-dealer to facilitate the account's portfolio transactions promptly and at reasonable expense, the importance to the account of speed, efficiency or confidentiality and the broker-dealer's apparent familiarity with sources from or to whom particular securities might be purchased or sold, as well as any other matters Cabot-Wellington deems relevant to the selection of a broker-dealer for a particular portfolio transaction of the account.

When the "best execution" criteria are satisfied, those broker-dealers who supplement Cabot-Wellington's capabilities with research and brokerage services within the scope of Section 28(e) under the Securities Exchange Act of 1934, as amended, may be selected by Cabot-Wellington to provide brokerage services. Ongoing research and data feeds are critical elements of Cabot-Wellington's investment management process. Accordingly, Cabot-Wellington may use broker-provided products and services which assist Cabot-Wellington in carrying out its investment decision making responsibilities. These products and services may include (but are not limited to): research reports on companies, sectors, industries or the general economy, data and quotation services, industry specific periodicals, and certain trading services. In some cases Cabot-Wellington may acquire a research or brokerage product or service with soft dollars which also has non-

research/brokerage uses. In these cases Cabot-Wellington will make a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research/brokerage services will be paid for by Cabot-Wellington in hard dollars.

Best Execution

Cabot-Wellington reviews the execution of trades at each custodian at least annually. Cabot-Wellington does not receive any portion of the trading fees.

Soft Dollars

In some cases Cabot-Wellington may acquire a research or brokerage product or service with soft dollars which also has non-research/brokerage uses. In these cases Cabot-Wellington will make a reasonable allocation of the cost of the product or service according to its use. That portion of the product or service which provides administrative or other non-research/brokerage services will be paid for by Cabot-Wellington in hard dollars.

All research services received from broker-dealers to whom commissions are paid are used collectively. There is no direct relationship between commissions received by a broker-dealer from a particular Client's transactions and the use of any or all of that broker-dealer's research material in relation to that Client's account. Cabot-Wellington may pay a broker-dealer a brokerage commission in excess of that which another broker-dealer might have charged for the same transaction in recognition of research and brokerage related services provided by the broker-dealer.

Cabot-Wellington is assessing new portfolio management software, Advent Partner, provided by FOS as a third-party "software as a service". If Cabot-Wellington selects this software, it would receive a software maintenance credit of about \$5,000-10,000 per year from FOS because some Clients' assets are custodied at FOS. This credit would offset part of the annual maintenance fees for Advent portfolio management software. All Clients would benefit from this credit as it reduces the firm's overall expenses. The selection of FOS as a custodian for Clients is not affected by this nominal credit.

Order Aggregation

Cabot-Wellington may aggregate orders for the purchase or sale of securities on behalf of a Client with orders on behalf of other Clients whose portfolios

Cabot-Wellington manages. Securities purchased or proceeds of securities sold through aggregated orders are allocated to the account of each portfolio managed by Cabot-Wellington that bought or sold such securities at the average execution price.

If less than the total of the aggregated orders is executed, purchased securities or proceeds will be allocated pro rata among the participating portfolios in proportion to their planned participation in the aggregated orders. No portfolio will receive the lowest purchase price or the highest sale price in connection with such order unless all purchases or sales are at the same price. Further, in the event not all portfolios are allocated the entire number of shares sought to be bought or sold on behalf of such portfolio, it is possible that no portfolio will be deemed to have purchased or sold the entire number of securities sought to be purchased or sold on behalf of the portfolio.

Item 13: Review of Accounts

Periodic Reviews

Account reviews are performed by Cabot-Wellington's Executive Director and Portfolio Analyst, usually together with the two principals of its sub-advisor, Nuland & Arshad. Account reviews occur at least three times per year, plus a year-end tax review. Account reviews are performed more frequently by the Executive Director and Portfolio Analyst when market conditions dictate.

Review Triggers

Accounts are reviewed on a periodic basis as described above. However, additional reviews may be triggered by the following conditions: large cash or asset flows in or out of an account, changes in the tax laws, new investment information and changes in a Client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the Client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the Client.

Clients receive periodic communications on at least a quarterly basis, including Cabot-Wellington's newsletter, *CW Quarterly Review*. *Advisory Service Agreement* Clients, *Investment Management* Clients, and *Recordkeeping Agreement* Clients receive written quarterly updates. The

written updates may include a portfolio statement, trade blotter, transaction ledger and billing invoice.

Item 14: Client Referrals

Incoming Referrals

Cabot-Wellington, as a single family office, does not generally seek non-TDC Family Clients. It has been fortunate to receive many Client referrals over the years from members of the TDC Family. Other referrals come from current Clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

Cabot-Wellington does not accept referral fees or any form of remuneration from other professionals when a prospect or Client is referred to them.

Item 15: Custody

Account Statements

All assets are held at qualified custodians (except CW Funds), which means the custodians provide account statements directly to Clients (or their designee) at the address of record for such purpose at least quarterly. Clients should carefully review those bank and brokerage statements, and Cabot-Wellington urges Clients to compare those bank and brokerage statements with any statements furnished by Cabot-Wellington.

For CW Funds, which are funds-of-funds holding non-traditional, “alternative” assets (constituting private securities within the meaning of Rule 206(4)-2), Cabot-Wellington has each CW Fund audited annually by an independent auditing firm, and a copy of the audited financials are made available to each member of the CW Fund.

Performance Reports

Clients are urged to compare the performance reports received directly from their custodians to the performance reports provided by Cabot-Wellington.

Item 16: Investment Discretion

Discretionary Authority for Trading

Cabot-Wellington accepts discretionary authority to manage securities accounts on behalf of Clients. Cabot-Wellington has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Cabot-Wellington consults with the Client prior to each trade to obtain concurrence if a blanket discretionary trading authorization has not been given.

Cabot-Wellington does not receive any portion of the custody fees or commissions paid by the Client to the custodian or broker on trades.

Discretionary trading authority facilitates placing trades in Client accounts on the Client's behalf so that Cabot-Wellington may promptly implement the investment policy that Client has approved in writing.

Limited Powers of Attorney

A limited power of attorney is a trading authorization for this purpose. The Client signs a limited power of attorney as part of its Investment Advisory Agreement so that Cabot-Wellington may execute trades on behalf of the Client.

A Client usually will also be asked to grant Cabot-Wellington a limited banking power of attorney to permit transfer of assets to and from a special-purpose bank checking account, set up in the Client's name by Cabot-Wellington, at Boston Private Bank, to facilitate payment of Client expenses, wire transfers, CW Funds capital calls, tax payments and other transfers.

A Client who wishes to participate in CW Funds will also be asked to approve automatic transfers from their custody account at FOS or Boston Private Bank to the CW Fund in which Client invests in order to facilitate capital and expense calls by the CW Funds.

Item 17: Voting Client Securities

Proxy Votes

Unless the Client designates otherwise, Cabot-Wellington votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy.

Cabot-Wellington has adopted a written proxy voting policy and related procedures which are intended to assure that Client securities are voted in the best interests of the Client, and which address material conflicts of interest that may arise between the investment adviser and its Clients. A summary is set forth below. Cabot-Wellington will furnish Clients with a complete description of its proxy voting policy and procedures, and a record of votes cast on the Client's behalf, upon written request. Cabot-Wellington's Investment Committee approves its general proxy voting policies. Employees are instructed to vote proxies in accordance with these written policies, and to seek advice from the Chief Investment Officer if a judgment call is required. For major holdings in "family companies", where votes are more likely to have a material influence, Cabot-Wellington's managing directors also review the proxy votes before staff submits them. Examples of Cabot-Wellington's voting policies are listed in the "Notice of Proxy Voting Process".

A. Routine Voting Items: Cabot-Wellington will generally vote FOR the following resolutions:

- election of directors (where no corporate governance issues are implicated).
- selection of independent auditors.
- increases in or reclassification of common stock.
- management recommendations adding or amending indemnification provisions in charter or by-laws.
- changes in the board of directors.
- outside director compensation.
- proposals that maintain or strengthen the shared interests of shareholders and management.
- proposals that increase shareholder value.
- proposals that will maintain or increase shareholder influence over the issuer's board of directors and management.
- proposals that maintain or increase the rights of shareholders.

B. Non-Routine Items: Cabot-Wellington will generally vote on the following resolutions as follows:

- FOR resolutions that call for a majority of board members independent of management, and for a board chair to be an independent director.
- FOR management proposals for merger or reorganization if the transaction appears to offer fair value.
- AGAINST shareholder resolutions that consider non-financial impacts of mergers.

- AGAINST multiple classes of stock with unequal voting rights.
- AGAINST anti-greenmail provisions and “poison pills” takeover defenses.
- AGAINST “golden parachute” severance packages for top executives.

Cabot-Wellington's procedures seek to prevent any material conflict of interest from affecting the manner in which Cabot-Wellington votes Clients' proxies. Employees are encouraged to raise any perceived potential conflict of interest with the Chief Compliance Officer. Given the size and character of Cabot-Wellington, it is unlikely that a material conflict of interest would arise; but, in the unlikely event it should, Cabot-Wellington will either (a) disclose the conflict and obtain Client consent before voting or (b) if it is impractical to gain prior consent, vote in accordance with the recommendations of an independent third party, such as Institutional Shareholders Services (ISS).

Item 18: Financial Information

Cabot-Wellington does not have any financial impairment that will preclude the firm from meeting contractual commitments to Clients.

Item 19: Requirements for State-Registered Advisers

This section is not applicable as Cabot-Wellington is not a state-registered investment adviser.