

# **Windsor Advisory Group, LLC**

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Form ADV, Part 2 (Brochure) provides potential, new and current Clients (you, yours) information about the qualifications and business practices of Windsor Advisory Group (us, we, our). If you have any questions about the contents of this Brochure, please contact us at 614-545-0300. 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.

We are an investment adviser registered with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, contain information you may use to evaluate us (and other advisers) and may be a factor in your decision to hire us or to continue to maintain an investment management relationship with us.

Additional information about Windsor Advisory Group is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.

## Item 2 – Material Changes

Windsor has no material changes to report as of year-end 2014.

Our Brochure may be requested by contacting Beverly J. Langley, Chief Compliance Officer at 614-545-0300 or [blangley@wag-llc.com](mailto:blangley@wag-llc.com).

Additional information about us is also available via the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's website also provides information about any persons affiliated with us who are registered or required to be registered, as investment adviser representatives.

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## **Item 4 – Advisory Business – Discussion of Personal CFO**

### **Principal Owners**

Windsor Advisory Group is a limited liability company originally organized in the state of Ohio in 2002. The Principals of the firm are Harry M. Dye, III (Trey), Joseph S. Davies and Jonathon S. Eesley. Mr. Dye owns over 50% of the firm. Mr. Davies owns over 30% and Mr. Eesley owns over 16%.

### **Advisory Services**

We provide investment advisory services including asset allocation, equity management, fixed income management, management of sub-advisors and related services. We use industry and internally generated analysis to identify investment opportunities. Our portfolio strategies include investments in equities, debt, real estate, commodities and private equity/debt. Our primary business is investment advisory services including portfolio construction and discretionary management for high-net-worth individuals, institutions, foundations and endowments.

For some clients, in addition to our investment advisory services, we provide advice and guidance on other financial matters such as cash flow management, long-term planning, wealth transfer and charitable giving. In doing so, we often are referred to as a Personal CFO.

### **Portfolio Management**

Portfolios under our investment management supervision are usually treated as discretionary relationships. We typically have full discretion over the investment management, security selection and execution of related trades. However, we may allow clients to direct the buy or sell of certain securities within a portfolio. In addition, we have established some client consult relationships. You should expect us to develop a customized investment policy for you based on your goals and overall financial objective. Your investment policy may take into account your time horizon, return objective and risk parameters. Based on your investment policy we will then construct an investment plan. We will implement the investment plan and with your permission, work with selected third-party investment managers as sub-advisers, if necessary, to complete the investment plan. When hiring a sub-adviser to manage a portion of your account, there may be circumstances where we are acting in an opposite manner from the sub-adviser. For example, the sub-adviser may be selling a security from your account that it is managing and we are buying that same security. We will work with the sub-adviser to limit these situations as much as possible.

### **Assets under Management**

As of 12/31/14 we had total regulatory assets under management of \$797, 584,456.79. Discretionary assets under management were \$641,767,406.13 and non-discretionary assets were \$155,817,050.66.

## Item 5 – Fees and Compensation

If we have an investment management relationship with you of \$10 million or more, you will pay an annual investment management fee of .50% (50 basis points). If our investment management relationship with you is less than \$10 million you will pay an annual investment management fee of .65% (65 basis points) to 1.20 (120 basis points).

If your relationship with us includes investment management and other services as indicated in Item 4, we will consider an annual flat fee, which is determined by the complexity of the relationship rather than a percentage of assets under management.

We will charge a per project fee for services that do not include investment management.

Your annual investment management fee will be paid quarterly, in arrears. The investment management fee will be calculated based on our portfolio accounting system's value of your accounts under our management on the last calendar day of each month during the calendar quarter. The month end value is multiplied by your annual fee. That number is then multiplied by a factor (the number of days in the month divided by 365) to determine the monthly investment management fee. The three monthly investment management fees are then added together to arrive at your quarterly fee.

Fees are prorated for the number of days in which your investment management agreement is in effect. You may give written permission, via the investment management agreement you have with us and certain qualified, independent custodian's account opening documents, for investment management fees to be directly debited by the custodian from your accounts on a quarterly basis. You may terminate the written permission at any time. In the alternative, you may choose to receive and pay an invoice for investment management services.

We reserve the right to negotiate our investment management fees. You may pay more or less than others depending on certain factors, including but not limited to, the type and size of the account, the range of additional services provided to you and the total number of assets managed for you. The fees that we charge for investment management services are specified in your investment management agreement with us.

Fees charged by third-party investment managers and mutual funds are in addition to the investment management fee charged by us. The third-party managers directly charge you for their investment management services. Our investment management compensation that you pay to us does not include commissions or other operational expenses of investment products which may be charged directly or indirectly to you.

Our firm does not and none of our Supervised Persons accept compensation for the sale of securities or other products (such as commissions or trailer fees). Item 12 of this Brochure further describes the factors that we consider in selecting or recommending broker-dealers for securities transactions and determining the reasonableness of their compensation (e.g., commissions).

You have the option to purchase investment products that we recommend through other brokers or agents with whom we are not affiliated.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

We do not, as of the date of this Brochure, charge advisory fees on a share of the capital appreciation of the funds or securities in your account (performance based fees). Our advisory fee compensation is charged only as disclosed in Item 5.

## **Item 7 – Types of Clients**

We provide investment management services to individuals, including high net worth individuals, trusts, corporations and other business entities, corporate pension plans and private foundations.

We seek clients with net worth of \$5 million or more, but may lower this threshold at our discretion.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **Analysis**

We develop a customized investment policy for you based on your goals and overall financial objective. Your investment policy may take into account your time horizon, return objective and your risk parameters.

Based on your investment policy we build your portfolio utilizing a combination of the following asset classes:

- Cash and Cash Equivalents
- Debt – Short-Term
- Debt – Intermediate
- Debt - High Yield
- Debt – Multi-Strategy
- Equities – Large Cap
- Equities – Mid Cap
- Equities – Small Cap
- Equities - International
- Equities - Multi-strategy
- Real Estate
- Private Equity/Private Debt
- Commodities

In conjunction with your investment policy and the size of your investment portfolio, we may use a combination of the following:

- Mutual Funds (open end)

- Individual Stocks
- Individual Bonds
- Closed End Funds
- ETFs
- Private Placements
- Unit Investment Trusts
- Certificates of Deposits

### **Investment Manager Selection and Criteria**

Our manager selection process includes analyzing a number of qualitative and quantitative characteristics. Below are samples of the characteristics that are most likely to be utilized:

#### **Organization**

- Company History
- Portfolio Manager(s) & Firm Background Checks
- Management Experience
- Ownership Structure
- Employee Training
- Financial Strength of Firm
- Communications/Reporting Process
- Manager's AUM

#### **Investment Strategy and Process**

- Strategy Philosophy
- Investment Process (Buy/Sell Guidelines)
- Strategy Consistency
- Strategy AUM
- Strategy Minimums
- Holdings Consistency
- Analyze duration, credit quality(when applicable)
- Analyze currency risks(when applicable)

#### **Performance**

- Return vs. Windsor's Benchmark/Peers
- Manager Performance over rolling time periods
- Turnover Ratio
- Manager Fees
- Tax Efficiency
- Correlation with current managers & index

## **Periodic Manager Review**

We review all our managers. Below are samples of the criteria that are most likely to be reviewed.

### **Organization**

- Change in Ownership Structure of Firm
- Change in Portfolio Manager(s)
- Significant Increase or Decrease in Manager's assets
- Other Extenuating Circumstances

### **Investment Strategy and Process**

- Change in Strategy, Philosophy, and Process
- Strategy Assets

### **Performance**

- Return vs. Manager's Benchmark
- Return vs. Windsor's Benchmark
- Manager Performance vs. Peer Group
- Manager Performance over rolling time periods
- Turnover Ratio
- Change in Manager Fees
- Tax Efficiency

### **Risk**

- Liquidity Review
- Upside/Downside Capture
- Measures such as Alpha, Beta, Sharpe, Treynor, Information, Sortino
- Organizational

If a manager has notable changes in the organization, investment strategy and process, risk measures and/or performance, the manager may be placed on a watch list. If deemed appropriate, we may replace the manager.

In addition to the above, our due diligence process for private placements also includes:

- Review current and past financials
- Review pricing model based on current economics
- Agree on current valuation
- Entity Structure
- Capital Structure



## **Risk**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). Asset values can fluctuate substantially over time. We cannot guarantee any level of performance or that you will not experience a loss of your account value.

Risks include:

- **Liquidity:** Some investments restrict liquidity for a certain period of time. After the initial liquidity restriction, there may still be a delay in liquidity due to the terms (i.e. Access to funds on a quarterly or annual basis).
- **Leverage:** Some managers employ leverage which may compound the risk of loss in an investment.
- **Tax Reporting:** Your investments made via Limited Partnerships or LLCs will receive a K-1 for tax reporting. The K-1 is not always available before April 15<sup>th</sup>. Therefore you may not be able to file your tax returns on or before April 15<sup>th</sup>. If not, you will have to file an extension. Additionally, the K1 tax reporting may be complicated and increase the cost of your tax preparation fees.

Based on the above, certain investments should be viewed as part of a long-term investment strategy and may not be appropriate for every client.

## **Item 9 – Disciplinary Information**

We do not have any legal, financial or other “disciplinary” items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate or to continue an investment management relationship with us.

## **Item 10 – Other Financial Industry Activities and Affiliations**

A Principal of Windsor currently serves as a board member of a business valuation company. He is compensated for his service on the board, however assigns the compensation to Windsor. Currently the business valuation company is not involved with any of our clients, however if that would change, both our client and the business valuation company would be made aware of the potential conflict of interest.

A Principal of Windsor serves as a member of the Advisory Committee to a for-profit Investment Partnership. As a member of the Advisory Committee, our Principal has no decision making authority relative to the Investment Partnerships’ investments. He receives no compensation for his role as a member of the Advisory Committee. Our clients are invested in the Investment Partnership under the same terms and conditions as all other investors.

A Principal of Windsor currently serves as a member of the board of directors for a company in which both Windsor and certain of its clients are invested.

A Supervised Person of Windsor is also a Principal of Centro Capital Advisors, LLC a private company. This private investment portfolio may or may not conflict with the investment advice given to clients of Windsor.

A Principal of Windsor currently sits on the board of directors for a private company for which he receives annual compensation and a per meeting stipend.

The Chief Compliance Officer of our firm also acts as the Chief Compliance Officer for other, unaffiliated registered investment advisers.

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

All of our Supervised Persons are held to a strict Code of Ethics that governs potential conflicts of interest we may have when providing our investment management services to you. Our Code of Ethics is designed to ensure we meet our fiduciary duty to you. Our code contains a personal trading policy and we have adopted an Insider Trading Policy.

The Code of Ethics is distributed to each Supervised Person at the time of hire and on an annual basis thereafter. We hold an annual training session for the Code of Ethics and monitor activity in the personal securities accounts of Supervised Persons on a quarterly and annual basis.

We will provide a copy of our Code of Ethics to any client or prospective client upon request to the address on the cover page of this Brochure sent to the attention of the Chief Compliance Officer.

We may from time to time, invest for our own benefit or for the firm's benefit, in the same securities that we recommend to you. Our Supervised Persons may buy, sell and hold securities identical to those held in your portfolios; however none of our Supervised Persons may purchase or sell certain types of securities for three (3) business days before and after a transaction being implemented for your portfolio in order to prevent our Supervised Persons from potentially benefiting from transactions placed on your behalf. Our Supervised Person may buy or sell securities which are held in or recommended for your accounts at different times than those securities are bought or sold in your accounts.

Our Supervised Persons may open accounts with sub-advisers that we have hired to manage your assets. These accounts will be treated in the same manner by the sub-adviser as your accounts which are managed by the sub-adviser. The sub-adviser will charge the same investment management fee for the management of our Supervised Persons accounts as it charges for the investment management of your accounts.

## **Political Contributions**

Restrictions are in place regarding the amount of political contributions that any Supervised Persons of Windsor may make. Quarterly each Supervised Person must provide to the Chief Compliance Officer information regarding whether or not a political contribution was made during the previous quarter.

## **Item 12 – Brokerage Practices**

### **Broker Selection & Best Execution**

Windsor is generally retained to manage clients' account on a discretionary basis which authorizes us to direct execution of portfolio transactions without transaction-by-transaction consultation with you.

If you do not designate a broker-dealer, we will select brokers and dealers to execute portfolio transactions. Our general objective in selecting broker-dealers is to obtain the best combination of price and transaction costs (best execution). In addition, we consider factors such as execution capability, willingness to commit capital, financial stability and clearance and settlement capability.

While we may recommend that you establish custodial accounts with Schwab, a registered broker-dealer, member SIPC, to maintain custody of your assets and to affect trades for your accounts, you are not required to maintain custodial accounts with Schwab. If you decide to open a custodial account at Schwab, you will enter into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so. While maintaining a custodial account at Schwab, you may also maintain custodial accounts with other third-party custodians. We are independently owned and operated and not affiliated with Schwab. Schwab provides us with access to its institutional trading and custody services. Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise only available to institutional investors or which for retail clients would require a significantly higher minimum initial investment.

For your accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by you through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. However, Schwab may charge fees in your custodial account for any cash balance held in one of its money market funds.

We believe that Schwab charges customary commissions for trade execution which are reasonable in relation to the services which Schwab provides to us, including access to mutual funds which are not available to retail investors or in a "fund direct" arrangement, which Schwab provides in its support of our relationships. However if you maintain custodial accounts with Schwab you may be charged additional fees for securities trades executed by a broker other than Schwab. The commissions charged by Schwab for its trade execution services are reviewed by us. We believe that working with Schwab is consistent with our effort to seek best execution for you.

Certain mutual funds shares may be purchased directly from a mutual fund distributor and certain mutual funds are available through Schwab with no transaction charges. However, we may recommend mutual funds to you for which Schwab charges an additional transaction fee. We believe that these funds offer better investment choices for you, even though there is an additional transaction fee charged by Schwab.

In addition to Schwab we regularly work with other custodians to obtain services related to our investment management business. These firms may provide you with account management, custody and reporting services. Additionally they provide investment management research on individual securities and separate account managers and gather information on industry-related developments and issues.

### **Research & Other Benefits**

We may also consider the value of research products and services provided or paid for by a broker-dealer. Such products and services may include: research, reports on companies, industries and securities, economic and financial data, pricing data, financial publications, and services incidental to effecting securities transactions (such as clearance, settlement and custody).

We evaluate the reasonableness of brokerage commissions. We anticipate that you may, in some instances, pay commissions higher than those obtainable from other broker-dealers that do not offer comparable levels of service or research products and services.

Research furnished by broker-dealers may be used in servicing the accounts of any or all of our clients, including accounts other than those that pay commissions to the broker-dealers that supplied us with research services.

Schwab also makes available to us other products and services that benefit us but may not benefit you. Some of these products and services assist us in managing and administering your accounts. These include:

- software and other technology that provide access to your account data (such as trade confirmations and account statements);
- facilitate trade execution (and allocation of aggregated trade orders for multiple accounts); provide research, pricing information and other market data;
- facilitate payment of our investment management fees from your accounts; and
- assist with back-office functions, recordkeeping and client reporting.

Many of these services generally may be used to service all or a substantial number of your accounts, including accounts not maintained at Schwab. Schwab also makes available to us other services intended to help us manage and further develop our business enterprise. These services may include:

- consulting and
- publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing.

As a fiduciary we always act in your best interests, however our recommendation that you maintain your assets in accounts at Schwab may be based in part on the benefit to us of the availability of some products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

### **Directed Brokerage**

You may direct that we use particular broker-dealers to execute portfolio transactions. If you designate the use of a particular broker-dealer you should understand that:

- we generally will not attempt to negotiate commissions with designated broker-dealers and
- you may pay higher commissions than you might otherwise have paid if you had not made such a designation.

### **Trade Allocation/Block Trading**

We have adopted a trading policy that is intended to ensure that all trades are undertaken and, where necessary, allocated to you in a manner that fulfills our fiduciary obligations to you. The policy allocates securities on a basis that is fair, equitable, consistently applied and does not unfairly discriminate against you. Our policy, unless directed otherwise by you, is to allocate pro-rata based on average share price, across all accounts involved in the transaction.

Block trading or bunching transactions may occur when orders for several clients are combined before submitting to a broker. The blocked transaction must be in the best interest of each client participating in the order, obtain best execution and be consistent with the investment policy statement for each client. The price of the securities purchased or sold in a block trade will be at the average share price for all transactions of the clients in that security on a given day. Schwab will charge an additional commission for each trade placed in your account.

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

We will not act as principal to buy securities from you or sell securities we own to you. We will not act as broker to effect securities transactions for compensation (commissions) for you. We do not engage in agency cross transactions. On an exception basis, we may engage in cross transaction with your written permission. We will execute transactions for you to buy and sell securities or investment products and receive only investment management compensation from you.

## **Item 13 – Review of Accounts**

All accounts are reviewed at least quarterly. Factors that may trigger an additional review include, but are not limited to, cash inflows and outflows, change in managers and changes in your circumstances or objectives.

You will receive quarterly reports from us regarding the specific attributes of your portfolio. Also you will receive reports from the independent Custodian reporting on the general condition of your accounts. We may develop reports that are of interest to you and with you determine the frequency of such reports. Such reports from us may include performance comparisons, trade details, gain/loss reporting, investment management fee and asset allocation details. Reports from us will be delivered in person, sent via the mail or delivered electronically. You will receive confirmations of trades either in the mail or delivered electronically.

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

We will, at your request, refer you to other professionals such as attorneys, CPAs, etc. These same professionals may refer their clients to us. We receive no compensation from either you or the other professionals for these referrals.

We receive an economic benefit from Schwab in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us and the related conflicts of interest are described above. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

### **Solicitation Arrangements**

From time to time, we may enter into written agreements with unrelated third parties (solicitors) who solicit investment advisory clients on our behalf. We typically pay the solicitor a fee for their services. The solicitor provides each potential new client with a copy of our Form ADV, Part 2A & 2B as well as a written disclosure document describing the nature of the relationship between the solicitor and us and the terms of any compensation paid to the solicitor by us. We oversee the activities of the solicitor on a regular basis to verify that the solicitor is acting within the terms of the written agreement with us and is compliance with applicable laws.

## **Item 15 – Custody**

We do not have physical custody of any client assets. However, due to certain types of money movement activities, which have been authorized by some of our clients, we are considered to be a custodian under amended Rule 206(4)-2 and are subject to an annual surprise audit of these certain types of money movement activities by a certified public accountant.

We calculate your investment management fee, send that fee to the qualified custodian and with your written authorization the qualified custodian withdraws our investment management fee from your custodial account.

We recommend qualified, independent custodians to you that are compatible with investment strategies selected by you.

You should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintain your investment assets. The custodian's statement is the official record of your account and assets.

We urge you to carefully review such statements and compare such official custodial records to the reports that we provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates or valuation methodologies of certain securities and assets held outside of the custodian.

## **Item 16 – Investment Discretion**

Generally we are retained to manage your accounts on a discretionary basis based on the language of our investment management agreement with you. In a discretionary investment management relationship we are authorized to direct execution of portfolio transactions without transaction-by-transaction consultation with you. In all cases, however such discretion is exercised in a manner consistent with your stated investment objectives.

We also have some investment management relationships in which we consult with the client before we process any transaction in their account.

## **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

Unless directed otherwise in writing by you, we will vote all proxies for your accounts managed by us, except for those securities which may be managed by a third-party investment manager. We have adopted a proxy voting policy and guidelines designed to ensure that we vote proxies in your best interest. The proxy voting policy and guidelines are available to you upon request by contacting our Chief Compliance Officer at the address, phone number or e:mail listed on the front of this brochure. In addition, you may request information regarding how we voted proxies on your behalf.

If we face a conflict of interest in voting a proxy, we will either contact you and ask for direction on how to vote the proxy or abstain from voting the proxy.

## **Item 18 – Financial Information**

We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to you and have not been the subject of a bankruptcy proceeding.