



# Alpha Windward LLC

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## *Brochure*

Form ADV, Part 2A

January 24<sup>th</sup>, 2017

This *Brochure* provides information about the qualifications and business practices of Alpha Windward LLC ("Alpha Windward"). If you have any questions about the contents of this *Brochure*, please contact us at (781) 326-8880 and/or [info@alphawindward.com](mailto:info@alphawindward.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.

Alpha Windward is registered as an investment adviser with the SEC, and additional information about Alpha Windward is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (Registration of an Investment Adviser does not by itself imply a certain level of skill or training.)

*Brochure Supplements* containing information about Samuel B. Carr and Benjamin G. Dawson, who are responsible for managing client accounts, are included in an appendix to this *Brochure*. Details of their experience as investment managers are contained in this *Brochure* and the *Brochure Supplements*.



## Item 2 – Material Changes

This **Brochure** replaces and updates the Form ADV, Part II that we have previously distributed to our clients. We will provide you, at least annually, with a summary of any material changes to the information in this **Brochure** since the last version you received.

The January 24<sup>th</sup>, 2017 **Brochure, Item 4** on page 2, has been updated from the February 26<sup>th</sup>, 2016 **Brochure** to reflect a more recent accounts summary. As of December 31<sup>st</sup>, 2016 Alpha Windward had \$158.0 million of assets under management in 152 accounts.

There were no other changes.



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## Item 4 – Advisory Business

Alpha Windward was formed in April of 1998. We are a quantitative fundamental investment management firm that uses internally generated research and proprietary statistical analysis to construct a knowledge database of independent factors that help determine relative stock price performance. We offer investment management services to individuals (mostly high net worth), families, trusts and estates, charitable organizations, investment companies, pension and profit sharing plans, and private pooled investment funds.

Alpha Windward's mission statement is to take care of our clients to the very best of our personal and professional abilities with honor, respect and diligence. We employ proprietary technology to build long-term wealth, providing above-average performance with reduced investment risk and superior service – all at the lowest reasonable cost.

Alpha Windward's investment philosophy is that quantitative methodologies tend to outperform more traditional approaches. The rapid and substantial growth of investment information available to the financial community has created a critical need to process and analyze security information with more precision and efficiency. We believe that computers can reduce the tendency to overreact and that combining quantitative modeling with fundamental analysis optimizes overall return on a risk-adjusted basis. We believe that equities are the best long-term investment assets and that time in the markets – not market timing – is the key to growing overall investment assets. Asset allocation and securities selection are critical components to the portfolio construction process, and asset class and securities diversification reduces overall portfolio risk. The variability of returns from year to year may be reduced by maintaining a well-diversified investment portfolio compared to a poorly diversified one. We believe that diversification is a key investment strategy.

Alpha Windward's clients are our most important assets. Taking care of clients with trust, respect, confidence, and diligence is essential. Protecting client privacy and providing superior service are top priorities at Alpha Windward.

Alpha Windward is owned equally by S. B. Carr Investments, Inc. (Samuel B. Carr, Jr. and Margaret W. G. Carr, owners) and B. G. Dawson Investments, Inc. (Benjamin G. Dawson and Cornelia B. Dawson, owners). The Managing Directors of Alpha Windward, who determine the investment actions to be taken on behalf of client accounts, are:

**Samuel B. Carr, Jr.** was born in 1955. Sam received a B.A. from Harvard College and an M.B.A. from the Harvard University Graduate School of Business Administration. He has been a Managing Director of Alpha Windward since the firm's founding in 1998. Since 1990, he has been the President of S.B. Carr Investments, Inc., a registered investment adviser. Before that he was a senior quantitative analyst with The Putnam Companies, a mutual fund complex. Sam is a Chartered Financial Analyst and a member of the CFA Institute.

**Benjamin G. Dawson** was born in 1958. Ben received a B.A. from Princeton University and an M.B.A. from the Amos Tuck School of Business Administration (Dartmouth). He has been a Managing Director of Alpha Windward since the firm's founding in 1998. From 1989 to 1998, he was a director, vice president, and portfolio manager at Woodstock Corporation, a registered



investment adviser. Before that he was an assistant vice president with Ulin, Morton, Bradley & Wellington, Inc. (investment banking), and an investment analyst with Investments Orange Nassau (venture capital).

Alpha Windward's services primarily involve management of client portfolios for which we are given discretionary authority to select and change investments, taking into consideration the client's objectives and circumstances. Clients may impose security restrictions on investing in certain securities and/or types of securities. Communicating with our clients to their satisfaction informs and enhances our approach to managing their investment portfolios. Alpha Windward had \$158.0 million of assets under management (all on a discretionary basis) in 152 accounts as of December 31, 2016.

Our research process is not dependent on sell-side research. All client portfolios are managed using our sophisticated proprietary system which integrates research, portfolio construction, trading, accounting and monitoring. Alpha Windward clients receive a quarterly investment market commentary.

## **Item 5 – Fees and Compensation**

### ***Separate Account Fees***

Alpha Windward's investment management fees for individual client accounts are payable quarterly in arrears and are calculated by applying Alpha Windward's standard fee schedule or the non-profit organization fee schedule to the account value at the end of each quarter. The fee schedules may be changed upon not less than 60 days' advance notice to clients.

The current standard fee schedule is as follows:

**1.00% per annum up to \$2,000,000 of value;  
0.75% on any part of the next \$3,000,000 of value;  
0.5% on any part above \$5,000,000 of value.**

***The minimum fee is \$2,500 per year.***

The current non-profit organization fee schedule is as follows:

**0.50% per annum up to \$2,000,000 of value;  
0.375% on any part of the next \$3,000,000 of value;  
0.25% on any part above \$5,000,000 of value.**

***The minimum fee is \$1,250 per year.***

Fees are generally not negotiable, but exceptions may be made in the case of related accounts and other special circumstances. If the advisory services are terminated during a quarter, the client will be responsible for a pro rata portion of the quarterly fee through the date the account is



transferred. Alpha Windward's investment management fees are deducted directly from the client's custodial account.

### ***Pooled Account Fees***

Alpha Windward is general partner and also acts as advisor to a private pooled investment fund. Alpha Windward receives an investment management fee from the fund, payable in arrears, equal to a percentage of the average of the fund's net asset value on the last business day of each week ended during the quarter with respect to which the fee is due. The management fee will vary depending upon the size of the fund and whether the fund outperforms the Standard and Poor's 500 stock index (the "S&P Index") over a 12 month period. Set forth below is a chart setting forth the range of fees on a quarterly basis.

Under the heading "Benchmark Total Percentage Fee Per Qtr." are listed the percentage fees earned at various asset levels in the event that the fund outperforms the S&P Index by exactly 2% (the "Benchmark Level"). The management fee also includes a performance component (in addition to the benchmark component) calculated as follows:

For each quarter, if the fund either outperforms or underperforms the Benchmark Level, then the performance component will be equal to (i) 0.025 multiplied by the percentage (on an absolute percentage point basis) representing such excess or deficiency, which product will be multiplied by (ii) the average of the net asset values of the fund as of 5:00 P.M. on the last day of each week which ends during the preceding 12 month period.

If the investment performance of the fund is less than the Benchmark Level, then the performance component shall be deducted from the benchmark component for the purpose of computing the management fee, and if the investment performance of the fund is greater than the Benchmark Level then the performance component shall be added to the benchmark component for such purpose. Notwithstanding the amount calculated as a management fee payable hereunder by incorporation of the performance component, under no circumstance shall any management fee hereunder exceed the applicable "Maximum Total Percentage Fee Per Qtr." or be less than the applicable "Minimum Total Fee Per Qtr." in the chart set forth below:

	<b>Benchmark Total Percentage Fee Per Qtr.</b>	<b>Minimum Total Percentage Fee Per Qtr.</b>	<b>Maximum Total Percentage Fee Per Qtr.</b>
<b>Quarterly Net Assets</b>			
<b>\$0 - \$10,000,000</b>	<b>.2875%</b>	<b>.1875%</b>	<b>.3875%</b>
<b>\$10,000,001 - \$30,000,000</b>	<b>.2250%</b>	<b>.1250%</b>	<b>.3250%</b>
<b>\$30,000,001 - \$80,000,000</b>	<b>.1875%</b>	<b>.0875%</b>	<b>.2875%</b>
<b>\$80,000,001 And Greater</b>	<b>.1625%</b>	<b>.0625%</b>	<b>.2625%</b>

An Alpha Windward client making an investment in the fund will not also be charged a regular client account investment management fee on the funds invested. Such client's limited partnership interest will bear its share of the applicable fees paid by the fund to the general partner.



A limited partner redeeming all or any part of his interest in the fund within the first three years after investment is required to pay a redemption fee in an amount that declines from 3% during the first year to 1% during the third year. 50% of such fee is retained by the fund and 50% is payable to Alpha Windward as the general partner of the fund.

### ***Other Fees and Compensation Information***

Clients should be aware that mutual funds and exchange traded funds whose shares are held in client accounts pay advisory and other fees and expenses out of their assets that are disclosed in a fund's prospectus. These are in addition to the account investment management fees payable to Alpha Windward. A prospective client may, of course, deal directly with the mutual fund and pay no fee to Alpha Windward for such investments, but the client would not have the benefit of our services, including selection of funds intended to be appropriate for the client's investment objectives.

Alpha Windward's investment management fees are also exclusive of brokerage commissions and other transaction fees, custodial fees, and certain other expenses which are incurred by the client's account. Alpha Windward does not receive any portion of these commissions, fees, and costs. Alpha Windward does not engage in or accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Alpha Windward has selected fee structures which we believe align client interests with those of our firm.

The ***Item 12 – Brokerage Practices*** section below further describes the factors that Alpha Windward considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Alpha Windward has entered into performance-based fee agreements with qualified clients for our private pooled investment fund, as described in ***Item 5 – Fees and Compensation***. The fund is for qualified investors only and is the only investment product / strategy of Alpha Windward's that is performance-based fee. All of Alpha Windward's other investment products / strategies have the standard fee schedule described above.

Managing accounts with both types of fees may present an incentive for us to favor the fund, which charges a performance-based fee, over our other accounts, which do not, in order to earn the highest possible compensation. Performance-based fees may also prompt us to make investments that are riskier or more speculative than would be the case without such fee arrangements. We mitigate such potential conflicts by ensuring that investment opportunities are allocated equitably among all our accounts based on their individual goals and parameters.



## **Item 7 – Types of Clients**

Alpha Windward offers investment management services to individuals (mostly high net worth), families, trusts and estates, charitable organizations, investment companies, pension and profit sharing plans, and private pooled investment funds.

In general, Alpha Windward's services are provided only for accounts of at least \$250,000, although smaller accounts may in some circumstances be accepted if the client's needs are compatible with Alpha Windward's skills and style. There is a minimum investment requirement for the fund of \$50,000.

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

### ***Methods of Analysis***

Alpha Windward offers separate account management as well as a private pooled-equity investment fund. We manage client investment portfolios by integrating state-of-the-art proprietary research, portfolio construction, trading, accounting and monitoring functions on a highly sophisticated and secure computer network. We consider Alpha Windward to be an industry leader in using innovative systems and streamlined trading platforms. We expect our clients' returns to be greater due to our focus on reducing costs and because we leverage our expertise in statistical modeling to optimize investment decisions.

Alpha Windward begins its investment process by importing independent external data from Compustat, Ford, Value-Line and Zacks into our own multi-factor ranking system ("MFRS"). Alpha Windward's research database consists of data going back to 1972. Our screening process systematically narrows down over 9,000 publicly traded companies to the top 2,000 most liquidly traded stocks over the last trailing twelve-month period. We call this group of stocks the MFRS 2000 Stock Universe ("MFRS 2000"), which roughly translates into the 2,000 largest market capitalization companies traded in the U.S. equity markets over the last trailing twelve-month period. The MFRS 2000 is evaluated by quantitative fundamental factors and the entire MFRS 2000 is then ranked in order of their estimated risk-adjusted excess return (alpha). The MFRS 2000 is updated regularly – daily if necessary

MFRS, using a form of artificial intelligence, then ranks stocks by their respective alphas, performing the role of the traditional fundamental security analyst. Our unique analytical process provides a precise and objective method of determining the predictive value of quantitative factors, including, but not limited to, profitability, growth, value, quality, momentum and other more complex indicators. Currently, MFRS uses 28 primary factors to analyze and screen a broad set of companies by their respective alphas, thus helping us to identify both overvalued and undervalued companies. It is a statistical-learning driven, quantitative fundamental, bottom-up investment research system. MFRS enables Alpha Windward to manage investment portfolios in a highly efficient and disciplined manner.





We compare the new alpha ranks to those in the current investment portfolio to generate buy/hold/sells lists. The ensuing electronic basket trading is entirely computerized and benefits Alpha Windward's clients by ensuring accuracy and tightly controlling both transaction and administrative costs.

All investment portfolios are managed by a principal of Alpha Windward, ensuring the highest level of personal service and client confidentiality. When clients or other interested parties call us, Alpha Windward's principals respond personally. We seek to understand our clients' goals, tolerance for risk, and need for information in order to ensure that our decisions are fully congruent with their expectations.

Our primary investment objective is to build long-term wealth, while at the same time integrating clients' individual return goals with their overall risk tolerances utilizing the asset allocation of equities, fixed income and cash. In all our investment products/strategies, our approach is a bottom-up stock selection process using broad equity diversification; Alpha Windward diversifies beyond the 10 economic sectors to the 24 industry groups. In short, we seek capital appreciation while always striving to reduce costs and overall investment risk.

### ***Investment Strategies***

***Blue Chip Growth*** – The Blue Chip Growth investment product / strategy focuses on large-capitalization, high-quality, growth-oriented companies at a reasonable price. Alpha Windward narrows the MFRS 2000 down to the largest 200 common stocks traded in the U.S., a stock universe we call the AW 200 stock universe (AW 200).

In addition to MFRS' quantitative statistical analysis, we conduct traditional security analysis on the AW 200 to seek well-established blue-chip companies that are attractively priced relative to their expected long-term value and that are broadly diversified by economic sector and industry group. We focus on companies with industry leadership, strong management, solid financial strength and operating cash flow, above-average sustainable growth rates (High ROE), and strategic competitive advantages. Alpha Windward classifies these companies as wealth creators – companies that should be able to weather volatile and uncertain market environments over time.

The Blue Chip Growth investment product / strategy seeks to maximize after-tax returns through low portfolio turnover and loss harvesting.

***LargeCap Passive / Active*** – The LargeCap Passive / Active investment product / strategy invests in large-capitalization stocks from the AW 200 stock universe (the largest 200 U.S. common stocks). LargeCap Passive / Active portfolios are constructed utilizing passive market-based weightings for the 24 industry groups within the AW 200 and an active buy / hold / sell discipline is followed based on the MFRS ranking within the industry groups. Large-capitalization stocks are selected by their respective projected after-tax alphas and are equal weighted within the AW 200 industry groups.



LargeCap Passive / Active portfolios possess stocks that are well diversified and that we expect to have above-average returns and reduced risk. The portfolios possess a blend of investment styles exhibiting both value and growth characteristics.

**Blue Chip Income** – The Blue Chip Income investment product / strategy selects from a stock universe compiled of large-capitalization, high-quality, dividend-paying stocks – a subset of the AW 200 Stock Universe. The blue chip income stock universe is evaluated by:

- MFRS Projected Alpha
- Financial Strength
- Dividend Yield
- Return On Equity
- Free Cash Flow
- Forecasted Earnings

The Blue Chip Income investment product / strategy seeks to maximize after-tax returns through stock selection and loss harvesting. Blue Chip Income portfolios consist of approximately 55 to 65 stocks and overall risk is controlled through broad equity diversification with passive weightings to the 24 industry groups.

The Blue Chip Income portfolios possess a blend of value, growth and quality characteristics.

**Top 1000 Passive / Active** – The Top 1000 Passive / Active investment product / strategy invests in large-capitalization stocks from the AW 1000 stock universe (the largest 1000 U.S. common stocks). Top 1000 Passive / Active portfolios are constructed utilizing passive market-based weightings for the 24 industry groups within the AW 1000 and an active buy / hold / sell discipline is followed based on the MFRS ranking within the industry groups. Large-capitalization stocks are selected by their respective projected after-tax alphas and are equal weighted within the AW 1000 industry groups.

Top 1000 Passive / Active portfolios possess stocks that are well diversified and that we expect to have above-average returns and reduced risk. The portfolios possess a blend of investment styles exhibiting both value and growth characteristics.

**MidCap Passive / Active** – The MidCap Passive / Active investment product / strategy invests in mid-capitalization stocks from the AW MidCap stock universe (U.S. common stocks with a market capitalization ranking from 201 to 1,000). MidCap Passive / Active portfolios are constructed utilizing passive market-based weightings for the 24 industry groups within the AW MidCap benchmark universe and an active buy / hold / sell discipline is followed based on the MFRS ranking within the industry groups. Mid-capitalization stocks are selected by their respective projected after-tax alphas and are equal weighted within the AW MidCap industry groups.

MidCap Passive / Active portfolios possess stocks that are well diversified and that we expect to have above-average returns and reduced risk. The portfolios possess a blend of investment styles exhibiting both value and growth characteristics.



**AllCap Total Return** – The AllCap Total Return investment product / strategy invests in large-, mid- and small-capitalization (collectively known as “AllCap”) stocks from the AW 2000 stock universe (the largest 2,000 U.S. common stocks). The investment objective of the AllCap Total Return is to maximize total return through long-term outperformance of U.S. equity markets. The AllCap Total Return is rebalanced quarterly and normally remains fully invested in U.S. equities. AllCap Total Return portfolios possess approximately 140 to 160 top stocks ranked by their respective projected alphas within the MFRS 2000 stock universe. The AllCap Total Return investment product / strategy possesses broad diversification and follows a strict buy / hold / sell discipline. Sector and industry group weights are set indirectly by stock selection; all stocks are equally-weighted.

The AllCap Total Return portfolios possess a blend of investment styles exhibiting both value and growth characteristics. The management fee for the fund is performance based. Alpha Windward’s benchmark is 2% above the S&P 500 trailing 12-month return.

### ***Risk of Loss***

It is important to note that in all Alpha Windward’s investment products / strategies, investing in securities involves risk of loss that clients should be prepared to bear/tolerate. Such risks include some or all of the following:

- ***Style Risk:*** Large company stock prices tend to be less volatile than those of smaller company stocks. However, clients should understand that larger companies’ growth rates may not be as high as those of successful smaller companies and they may not be able to respond as quickly to competitive challenges as smaller companies. On the other hand, securities of companies with smaller to medium market capitalizations are often more volatile, less liquid and more susceptible to market pressures than securities of larger issuers.
- ***Market Risk:*** The price of a security, bond, mutual fund, or 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.
- ***Inflation Risk:*** When any type of inflation is present, a dollar or a client’s own reference currency today will not buy as much as a dollar or that reference currency last 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 or other reference currency against the currency of the investment’s originating country. This is also referred to as exchange rate risk.
- ***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 electricity from several diversified energy sources and thus has income from a steady stream of customers who buy electricity no matter what the



economic environment is like, provided that the electric company does not suffer a supply disruption from its source of supply of energy.

### **Item 9 – Disciplinary Information**

Alpha Windward, Samuel B. Carr, Jr. and Benjamin G. Dawson, Managing Directors of Alpha Windward, have no legal or disciplinary events or actions against them that would be material to your evaluation of either Alpha Windward or the managing directors providing investment advice.

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

Alpha Windward is not actively engaged in any business other than giving investment advice, and we do not sell any products and/or services other than giving investment advice to our clients.

Alpha Windward is the general partner of and investment adviser to an AllCap private pooled investment fund. Clients of Alpha Windward may from time to time be solicited to invest in the fund, but this is a decision for the client. We do not use our discretionary authority to place client assets in the fund.

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

Alpha Windward has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and its procedures for ensuring that we meet our fiduciary duty to our clients. It is our policy that personnel must comply with applicable law and that neither the firm nor any related person may use confidential information about client accounts in making personal transactions, take personal advantage of investment opportunities that properly belong to clients, or act on the basis of material, nonpublic (inside) information about the issuer of a security in taking investment action for either client or personal accounts, even if that would benefit the account. All supervised persons at Alpha Windward must acknowledge in writing the terms of the Code of Ethics annually. Alpha Windward's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Benjamin G. Dawson at [info@alphawindward.com](mailto:info@alphawindward.com).

Alpha Windward anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect the purchase or sale of securities in which Alpha Windward or its affiliates, directly or indirectly, have a position or interest. Subject to the Code of Ethics, The Standards of Professional Conduct of the CFA Institute, which all access persons are required to review and comply with, and applicable laws, officers, directors and employees of Alpha Windward and its affiliates may trade for their own accounts in securities which are purchased for Alpha Windward's clients. The nature and timing of such personal investment transactions may differ from investment actions taken on behalf of any client, depending on their respective investment goals. Under the Code, certain classes of securities have been designated as exempt based upon a determination that transactions in these would not



materially interfere with the best interest of Alpha Windward's clients. In addition, the Code of Ethics requires pre-clearance of many transactions and restricts trading in close proximity to client trading activity. In addition, Alpha Windward personnel may participate simultaneously with client accounts in purchasing or selling privately-placed securities, including limited partnership interests, with disclosure to the clients involved. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Alpha Windward and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Alpha Windward's obligation of best execution and our allocation policy. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price.

It is Alpha Windward's policy that the firm will not effect principal transactions with client accounts, nor will we cross trades between client accounts.

Related persons of Alpha Windward, including the Managing Directors and members of their families, may invest in the AllCap private pooled fund. Any such investments would be made at the same price and in the same manner as the fund's limited partnership interests are offered to outside investors. Alpha Windward may from time to time solicit clients to invest in the fund. Any such investment decision will be made by the individual client, based on the fund's *Confidential Private Placement Memorandum*, and will not be made by Alpha Windward in the exercise of its discretionary investment authority.

Alpha Windward personnel are permitted to and do trade in securities through outside broker/dealers that may also be engaged by Alpha Windward to execute client transactions. Such personnel may be benefited by lower commission rates afforded to Alpha Windward and its clients because of the high volume of securities trades generated by Alpha Windward's client accounts.

## **Item 12 – Brokerage Practices**

Alpha Windward generally has complete discretion to determine through which broker or dealer securities are to be bought or sold and the commission rates to be paid when effecting such transactions. We generally seek competitive, or "best execution," rates of commissions from broker/dealers on all such transactions. When Alpha Windward directs a trade to a particular broker or executes a trade directly with a broker, the broker will be selected on the basis of various factors, including the availability of a block or an underwriting, superior ability to execute the trade, the availability and/or quality of services provided or expected to be provided in the future, including the ability to track a particular investment, and the overall economic result for the client account (including commissions, which may not be the lowest available but will ordinarily be no higher than the prevailing competitive range). Neither Alpha Windward nor any related person intends to receive products, research or services from any person in consideration of the selection of brokers. Alpha Windward does not engage nor transact in Soft Dollar relationships.



Clients may direct that account transactions be placed with specific brokers, dealers, or banks, subject to any conditions that Alpha Windward deems appropriate. Clients should recognize that any such direction may result in the account's paying higher brokerage commissions or receiving less favorable prices or less efficient execution than might otherwise be available through a broker selected by Alpha Windward. For example, clients who direct us to use a particular broker may not be able to participate in aggregated trades, as described below, unless we are executing the aggregated trades through the same directed broker.

### **Item 13 – Review of Accounts**

Alpha Windward reconciles all client accounts with their respective custodians daily. Individual client accounts are reviewed regularly in accordance with their investment product / strategy. We consider the performance of the account and the markets generally during the period, the exposure of an account to risk, the account's diversification, and its progress with respect to client objectives. Interim account reviews also will be triggered by circumstances such as cash flows in or out of the portfolio, a determination to increase or decrease liquidity based on the outlook for the securities markets, new investment opportunities, changing client needs or financial circumstances, or material new information on a security or industry.

The AllCap private pooled fund is reviewed and rebalanced on a quarterly basis; more frequently if the Managing Directors deem it necessary.

All reviews are performed by one or both of Alpha Windward's Managing Directors, who jointly manage all of Alpha Windward's accounts. Reviews are guided by client objectives, as well as by investment policy formulated from time to time by the Managing Directors.

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

Alpha Windward and its related persons have no arrangements under which they are paid cash by or receive some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients. In addition, Alpha Windward does not directly or indirectly compensate any person for client referrals.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Alpha Windward urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Alpha Windward's statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.



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## **Item 16 – Investment Discretion**

Alpha Windward’s client agreements usually grant us discretionary authority to select the identity and amount of securities to be bought or sold at the outset of the advisory relationship. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, Alpha Windward observes both the instructions and restrictions of the clients whom it advises. Clients must provide investment guidelines to Alpha Windward in writing.

## **Item 17 -- Voting Client Securities**

As required by the Securities and Exchange Commission, Alpha Windward has adopted a proxy voting policy and related procedures to provide for voting of shares held in client accounts consistently with its fiduciary duties of care and loyalty. Where Alpha Windward has discretionary authority to vote client shares, it is Alpha Windward’s policy to monitor events affecting the issuers as required to cast informed votes and to exercise its voting authority in a manner consistent with the best interest of the client. Where the client is a benefit plan subject to ERISA, it is also Alpha Windward’s policy to vote client shares prudently and solely in the best interest of the plan participants and beneficiaries.

Alpha Windward intends to exercise its voting authority solely to further the investment objectives of client accounts. Voting decisions are made based on our expectations for long-term increases in share value and not to further social, political, environmental or other goals. If a client disagrees with Alpha Windward’s voting policy then that client may select to vote the shares held in that client’s account and not assign the voting authority to our firm. Alpha Windward usually has available to it the option of selling any particular client shares when it does not believe that management of the issuer is able to achieve Alpha Windward’s goals.

Upon request, Alpha Windward will provide clients with a copy of this policy and related procedures as well as information on how Alpha Windward voted with respect to their securities.

## **Item 18 – Financial Information**

Alpha Windward has no financial condition that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.





# **Alpha Windward LLC**

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Westwood, MA 02090-1178

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## ***Brochure Supplements***

Form ADV, Part 2B

**Samuel B. Carr, Jr.**  
**Benjamin G. Dawson**

**March 31<sup>st</sup>, 2011**

These brochure supplements provide information about Samuel B. Carr, Jr. and Benjamin G. Dawson, Managing Directors of Alpha Windward, LLC ("Managing Directors") that supplement the Alpha Windward *Brochure*. You should have received a copy of that *Brochure*. Please contact either of the Managing Directors if you did not receive Alpha Windward's *Brochure* or if you have any questions about the contents of these brochure supplements.

Additional information about the Managing Directors is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).





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## **Brochure Supplement – Managing Director – Samuel B. Carr, Jr.**

**Samuel B. Carr, Jr.  
Managing Director  
Alpha Windward LLC  
200 Lowder Brook Drive, Suite 2400  
Westwood, MA 02090-1178  
Main #: (781) 326-8880  
Fax #: (781) 326-3446  
[www.alphawindward.com](http://www.alphawindward.com)**

### **Item 2 – Educational Background and Business Experience**

Samuel B. Carr, Jr. was born in 1955. Mr. Carr received a B.A. from Harvard College and an M.B.A. from the Harvard University Graduate School of Business Administration. Mr. Carr has been a Managing Director of Alpha Windward since the firm's founding in 1998. Since 1990, he has been the President of S.B. Carr Investments, Inc., a registered investment adviser. Before that he was a senior quantitative analyst with The Putnam Companies, a mutual fund complex.

Mr. Carr is a Chartered Financial Analyst and a member of the CFA Institute. Chartered Financial Analyst is a professional designation awarded by the CFA Institute that recognizes the competence and integrity of financial analysts. Candidates are required to pass three levels of exams, over at least three years, covering areas such as accounting, economics, ethics, money management and security analysis. Each level requires 250 hours of study. A candidate must first have a bachelor's degree and at least four years of investment/financial career experience.

### **Item 3 – Disciplinary Information**

Mr. Carr has no legal or disciplinary events or actions against him that would be material to your evaluation of Mr. Carr providing investment advice.

### **Item 4 – Other Business Activities**

Mr. Carr is a Director of Clearwater Management Company, Inc. ("Clearwater"). Clearwater is registered as an investment adviser. Mr. Carr is paid an annual retainer fee and fees for attending Board meetings held four times a year. There is no business relationship between Clearwater and Alpha Windward and Mr. Carr's involvement in Clearwater activities does not create a material conflict of interest with Alpha Windward's clients.



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### **Item 5 – Additional Compensation**

Mr. Carr's only compensation is as disclosed in Alpha Windward's *Brochure* under ***Item 5 – Fees and Compensation*** and he does not receive any additional compensation from any non-client for providing investment advice to clients.

### **Item 6 – Supervision**

Mr. Carr, along with Mr. Dawson, is responsible for all supervision with regard to Alpha Windward, its employees and the firm's clients. Mr. Carr can be reached at (781) 326-8880. In addition, you can go to Alpha Windward's web-site at [www.alphawindward.com](http://www.alphawindward.com).



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## Brochure Supplement – Managing Director – Benjamin G. Dawson

Benjamin G. Dawson  
Managing Director  
Alpha Windward LLC  
200 Lowder Brook Drive, Suite 2400  
Westwood, MA 02090-1178  
Main #: (781) 326-8880  
Fax #: (781) 326-3446  
[www.alphawindward.com](http://www.alphawindward.com)

### Item 2 – Educational Background and Business Experience

Benjamin G. Dawson was born in 1958. Mr. Dawson received a B.A. from Princeton University and an M.B.A. from the Amos Tuck School of Business Administration (Dartmouth). Mr. Dawson has been a Managing Director of Alpha Windward since the firm's founding in 1998. From 1989 to 1998, he was a director, vice president, and portfolio manager at Woodstock Corporation, a registered investment adviser. Before that he was an assistant vice president with Ulin, Morton, Bradley & Wellington, Inc. (investment banking), and an investment analyst with Investments Orange Nassau (venture capital).

### Item 3 – Disciplinary Information

Mr. Dawson has no legal or disciplinary events or actions against him that would be material to your evaluation of Mr. Dawson providing investment advice.

### Item 4 – Other Business Activities

Mr. Dawson is not actively engaged in any business other than Alpha Windward's investment advisory business as described in the *Brochure*.

### Item 5 – Additional Compensation

Mr. Dawson's only compensation is as disclosed in Alpha Windward's *Brochure* under **Item 5 – Fees and Compensation** and he does not receive any additional compensation from any non-client for providing investment advice to clients.



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### **Item 6 – Supervision**

Mr. Dawson, along with Mr. Carr, is responsible for all supervision with regard to Alpha Windward, its employees and the firm's clients. Mr. Dawson can be reached at (781) 326-8880. In addition, you can go to Alpha Windward's web-site at [www.alphawindward.com](http://www.alphawindward.com).