

Part 2A of Form ADV: *One Fee Program Brochure*

Item 1 Cover Page

THE WINCHESTER GROUP, INC.

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One Fee Program

Brochure

MARCH 2011

This One Fee Program brochure provides information about the qualifications and business practices of The Winchester Group, Inc. If you have any questions about the contents of this brochure, please contact us at the above address and phone number. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about The Winchester Group, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Registration with the SEC does not imply a certain level of skill or training.

Item 2 Material Changes

The Winchester Group, Inc. has no material changes to note since its last annual update on March 31, 2010.

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Item 4 Services, Fees and Compensation

This brochure describes the One Fee Program offered by The Winchester Group, Inc. This means that you will pay one fee for investment management, brokerage and custodial services. To participate in our One Fee Program, you must enter into an Investment Advisory Agreement with Winchester and establish an account with our clearing broker, or Custodian. The Custodian is the establishment with which our internal broker-dealer, Winchester BD, maintains its clearing relationship. The Custodian will have custody of the assets in your account and Winchester BD will execute all securities transactions for your account whenever possible.

Clearing agents settle trades, meaning they make sure that money and product go into the right accounts.

The Agreement explains the services you will receive and the fees that you will pay for participating in the Program. The Program is a “one fee program,” which means that you will pay one fee for the investment management, brokerage, custodial, and other services you receive through the Program.

Our money managers will create an investment strategy which is consistent with your financial objectives and tolerance for risk. Your portfolio will be unique to you, as we do not use a model for clients, and it will be adjusted if your goals change.

It is your responsibility as a client to provide us with information we may request to help us manage your account. If you do not provide us with accurate or complete information, or if you do not inform us of changes in information you have previously provided, we will not be held legally responsible.

Types of Investments

Depending on the objectives you provide us with, we will make investments in your account which follow those objectives.

Investments may include:

- equity securities, including
 - exchange-listed securities,
 - securities traded over-the-counter,
 - securities of foreign issuers;
- warrants;
- corporate debt securities;
- commercial paper;
- certificates of deposit;
- municipal securities;
- mutual fund shares;
- money market funds;
- exchange-traded funds;

- United States government securities;
- government-related agency bonds;
- options contracts on securities;
- convertible securities or bonds.

Your money manager will be available to discuss these investments with you in detail and to answer any questions you may have.

All investments involve financial risk for which you are responsible. It is also your responsibility to pay any taxes which may be due for transactions in your account.

Our money managers typically make investment decisions based on fundamental and technical analysis using:

- financial newspapers and magazines;
- inspections of corporate activities;
- research materials prepared by others;
- corporate rating services;
- annual reports, prospectuses and filings with the SEC;
- company press releases.

Fundamental analysis uses economic, financial and company-specific information to attempt to determine the value of an investment.

Technical analysis looks at market action such as prices and trading volume to forecast stock prices.

Our analysis is primarily fundamental and is applied to the economy, to industries, sectors and companies. Neither fundamental nor technical analysis can accurately predict the price action of the stock market or of any one investment. While our managers use these methods of analysis to draw conclusions about the probability of a particular investment's profitability, there exist a multitude of factors which prevent these methods from being infallibly accurate. Some of the risks that may not necessarily be foreseen using fundamental and technical analysis include: the economic environment, which may impact certain industries in an unforeseeable fashion; interest rates; the credit markets, including availability of loans and credit lines (both retail and commercial), as well as the cost of credit; foreign currency exchange rates; consumer confidence; supply interruptions due to unforeseen circumstances; political unrest; commodity prices; natural disasters and others.

Our money managers may use one or more of the following techniques when investing for your account:

- long-term purchases (securities held at least a year);
- short-term purchases (securities sold within a year);
- trading (securities sold within 30 days);
- short sales;
- margin transactions.

Each of the above may prove to be unprofitable.

- Long-term purchases are usually based on a 3-5 year time horizon subject to change based upon the fortunes of the company and/or the market itself. It is historically true that the market can and does go through long cycles both up and down, so depending upon one's point of entry, losses can always occur and it may take a very long time for investments to be profitable, if ever.
- Short-term purchases involve a shorter time frame and usually will be effected if a security reaches its price target, fails to deliver anticipated financial results as a company or should be

eliminated due to changes in its sectors outlook (example: “steel industry outlook darkens”).

- Trading is a strategy that can result in losses due to cost of execution, exaggerated swings in buying and selling pressures and the volatility of the market itself. Unless instructed by our clients, Winchester managers do not advocate such a short-term trading strategy.
- Short selling is a tactic that may be best left to those engaged in hedging a position or employing it as a tax strategy. Short selling is not significant for Winchester’s advisory accounts and we do not advocate its use for the vast majority.
- Margin transactions involve borrowing to leverage an investment. Such leverage augments the size of gains and losses. Unless instructed to incur margin debt by their client, our advisors do not engage in this practice for their advisory accounts.

Program Fee

You will pay us a fee that covers the following:

- investment management services provided by Winchester;
- execution services provided by Winchester BD; and
- custodial and other administrative services provided by the Custodian.

The annual fee will vary depending upon the value of your account:

Suggested Fee Schedule	
Assets in the Account	Fee (As an Annual % of Assets)
\$0 – first \$2,000,000;	1.5%
Next \$3,000,000 (\$2,000,001 - \$5,000,000);	1.0%
Next \$10,000,000 (\$5,000,001 - \$15,000,000);	0.75%
Beyond \$15,000,001	0.5%

The annual fee rate for your account may vary based on the level of assets. If so, the overall rate we charge will be blended, meaning that as the value of the assets in your account reaches the thresholds indicated in the table above, the assets above each threshold will be charged successively lower percentages. For example, if the value of assets in your account is \$2,500,000 at the end of the quarter, the fee will be 1.5% on the first \$2,000,000, and 1.0% on the \$500,000 above the \$2,000,000 threshold. The quarterly fee would be one-fourth of that amount.

Unless agreed otherwise, we will generally charge the fee to your account at the end of each calendar quarter (January, April, July and October) in arrears. The fee is based on the total market value of the assets in your account at the end of the quarter.

If you make a withdrawal during the calendar quarter, the fee will be assessed on the value withdrawn and pro-rated through the date of your withdrawal. The services you receive or the number of transactions made during the quarter will not affect the fee we charge. If your account is only open for a portion of the billing period, the fee will be prorated based on the number of days the account was open

during the period.

Our fees are negotiable and may be higher or lower than:

- the fees we charge other clients;
- the fees stated on the above schedule; or
- the cost of similar services offered through other investment advisers and financial institutions.

Approximately 60% of the fee you pay is attributable to investment management services, and approximately 40% is attributable to brokerage and custodial services.

The fee you pay does not cover the following:

- brokerage commissions or other charges for transactions that are not made by Winchester BD;
- certain charges made by the Custodian, including:
 - costs associated with exchanging foreign currencies;
 - SEC fees;
 - transfer taxes and charges;
 - exchange fees;
 - wire transfer fees;
 - postage fees;
 - auction fees;
 - foreign clearing custodial fees;
 - charges associated with checking and credit card accounts;
 - other fees or taxes required by law.
- annual account fees or other administrative fees charged by the Custodian.

If you have assets in your account which are invested in pooled funds, the part of the value of your account when we calculate our fee. You may also pay fees and expenses for these assets. One example of this type of fund is a mutual fund.

Money-market funds, which are used for your cash reserves, may pay 12-B-1 fees to Winchester as a broker dealer.

It is possible that the Program may not cost the same amount as if you purchased the services we offer separately. You should know that there is a possibility Winchester and its money managers will make more money if you participate in the Program than if you were to pay for certain services separately. In some cases, we may have a financial incentive to recommend the Program over other types of advisory services.

To compare the costs of the bundled services offered through this One Fee Program with the costs of unbundled services, you should consider the following:

- turnover rate in your account;

Pooled funds, such as mutual funds or Exchange-Traded Funds, are funds from many individual investors that are aggregated for investment purposes.

12-B-1 fees are fees that are levied by funds, usually on a yearly basis. The monies collected are usually used to pay broker-dealers such as Winchester for servicing accounts.

- trading activity in your account;
- standard advisory fees that we and other investment advisers may charge for similar services;
- brokerage commissions and fees that we and other broker-dealers may charge for similar services.

The fee may be higher or lower than fees charged by other investment advisers for comparable services.

The Program may not be suitable for you if your account has less than a certain number of transactions per year. Due to the nature of the fee, some may regard Winchester as having a conflict of interest as we may realize a greater profit on an account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

You may make additions or withdrawals to or from your account at any time within the limitations imposed by the Custodian. We may have to impose a waiting period before certain types of securities may be deposited.

You may withdraw assets from your account within the limitations imposed by the Custodian. If securities need to be sold in order for you to take money out of your account, the proceeds may not be available until after the trade settles (normally 3 business days) depending on the Custodian's policies and procedures. We will have the discretion to determine which assets should be sold in order for you to complete your withdrawal. Winchester's fee may be pro-rated with respect to substantial additions or withdrawals you make during your billing period.

When opening an account, you authorize us to bill the Custodian directly for your fee, and you authorize the Custodian to pay us directly from your account.

On the date of valuation, we will determine the value of your account based on the closing price on the principal market where the securities are traded. If no market quotation is available for certain securities, they will be valued at the known current bid price that we or the Custodian believe best represents current market value. All other assets will be valued at sale value as determined in good faith by us and/or the Custodian or other third party.

Brokerage Arrangements

We expect to have the transactions in your account executed by our own BD whenever possible because the fee covers brokerage transactions at Winchester BD.

Given that we will select Winchester BD to execute transactions for your account whenever possible, you will have to agree to the following points:

- because Winchester BD will generally be executing transactions for your account, we will not go through the broker-dealer selection process in most cases;
- orders for your account generally will be placed separately from orders for clients who have directed us to use another broker-dealer to execute transactions for their accounts (however, the vast majority of our clients are expected to execute their transactions through Winchester BD);
- your account may not realize cost savings that it might if transactions for your account were grouped together with outside orders in one single transaction.

However, because very few of our clients have asked us to trade their accounts outside of Winchester BD, we don't anticipate that these last two circumstances will arise.

You should consider whether the following will be comparable to what you might obtain otherwise:

- commissions;

- execution, clearance and settlement capabilities;
- fees for brokerage, custodial and other services.

When transactions are placed through Winchester BD, we may group orders when purchasing or selling the same security for different accounts. If you participate in an aggregated order you will receive the average price for the security. In some instances, average pricing may result in higher or lower prices than a single account may otherwise obtain.

When you sign the Agreement, you authorize Winchester to execute “agency cross” transactions for your account. In an “agency cross” transaction, Winchester BD may act as broker for both your account and for another client on the other side of the transaction. This type of transaction could potentially create a conflicting division of loyalties and responsibilities for Winchester regarding your account and the other party. However, it is not our general practice to engage in such transactions.

Item 5 Account Requirements and Types of *Clients*

Winchester offers the Program to

- individuals,
- retirement plans,
- trust accounts,
- pension and profit sharing plans,
- limited partnerships,
- charitable institutions,
- corporations and endowments, and
- other qualified investors.

While Winchester does not have any required minimum account size, the majority of our clients are high-net-worth individuals and their related accounts.

Item 6 Portfolio Manager Selection and Evaluation

Portfolio managers at Winchester have long-standing relationships with clients and all new accounts for the most part have grown out of those relationships. Therefore, aside from reviews necessitated by compliance and sound business practices, Winchester does not select or recommend managers to clients, nor does it replace managers without such decisions being driven by regulatory issues or client requests. There are no contracts between Winchester's managers and the company which would extend control of manager selection or replacement without the consent of those managers and/or the agreement of the clients affected.

Clients whose accounts are custodied at National Financial Services (NFS) receive monthly statements (at least quarterly for minimally active accounts) which are detailed with regard to activity in and the evaluation of the securities in those accounts. In addition, certain managers send quarterly reports detailing security positions and account summary data using Advent, an independent portfolio management service. Most accounts managed by Winchester are invested in a variety of asset classes so that performance is skewed by such allocations in so-called blended accounts. Finally, Winchester managers do not have mandates from clients calling for 100% investment in certain asset classes nor mandates preventing them from holding cash reserves.

NFS custodies and evaluates accounts of Winchester on a monthly basis. Their pricing services provide those evaluations. Those accounts domiciled elsewhere (very few) are evaluated at least quarterly employing pricing services of their choosing. Where Winchester sends its own evaluations (using Advent) clients are encouraged to compare those reports with those supplied by independent custodians for disparities that may exist. Our performance data is based on unaudited account data produced by Advent's AXYS system which utilizes industry proven GIPS-compliance calculations. To the extent that clients request such internally generated reports based on Advent, we provide them. In conclusion, the composition and activity of all client accounts are reviewed by compliance and senior management beginning with the daily blotter, trade tickets and a periodic sampling of portfolios on an on-going basis.

We have only recently introduced the choice of a One Fee Program account and less than 5% of our clients have chosen this type of account for us to manage. The details of this type of account are set forth in this brochure. Potential conflicts of interest are described dealing with such important things as trading activity in measuring the alleged benefits of an all-inclusive cost system such as the One Fee Program. To the extent that client trading activity should turn out to be less than projected, and thereby such One Fee Programs should prove to be uneconomic for the client, such a review may lead to the program's termination. As a matter of policy, all related persons are guided and supervised in a manner consistent with said firm policy and review.

Winchester Personnel

Winchester employees who are involved in determining or giving advice to clients are required to have sufficient prior experience in the securities industry and/or college degrees.

The educational and business background of each money manager can be found below:

Rudolf J. Mueller

CCNY, Baruch School, New York, NY 1961-1963 BBA

New York University Graduate School of Business Administration, New York, NY 1963-1965 MBA Finance

Industry Exams: Series 7, 24, 27, 53, 63, Chartered Financial Analyst

Business History: 1990 – Present, The Winchester Group, Inc.

Irvin L. Cherashore

Lehigh University, Bethlehem, PA 1953-1957 BA Government
University of Pennsylvania - Wharton Evening School of Accounts & Finance Philadelphia, PA 1958-1960

Industry Exams: Series 7, 24, 63

Business History: 1990 – Present, The Winchester Group, Inc.

Thomas R. Settle

Muskingum College, New Concord, OH 1959-1963 BA Economics

University of Pennsylvania - Wharton School Philadelphia, PA 1963-1965 MBA

Industry Exams: Series 4, 7, 24, 63

Business History: 1990 – Present, The Winchester Group, Inc.

J. David Adler

Georgetown University, Washington, DC 1959-1963 AB Philosophy

Columbia University, New York, NY 1963-1965 MBA Business

Industry Exams: Series 7, 63

Business History: 1996 – Present, The Winchester Group, Inc.

Martin Heilbrunn

New York University, New York, NY 1947-1951 BA Economics

New York University, New York, NY 1951-1955 MBA

Industry Exams: Series 7, 63

Business History: 1990 – Present, The Winchester Group, Inc.

Jeffrey Tarnoff

Lehigh University, Bethlehem, PA 1965-1969 BS Business and Economics

University of Chicago Graduate School of Business Chicago, IL 1969-1971 MBA Finance

Industry Exams: Series 7, 63

Business History: 2002 – Present, The Winchester Group, Inc.

1983 – 2001, Oppenheimer Capital Management

Anthony P. Balestrieri

St. Peter's College, Jersey City, NJ 1955-1959 AB Economics

New York University, New York, NY MBA Investments

Industry Exams: Series 65, Chartered Financial Analyst

Business History: 2006 – Present, The Winchester Group, Inc.

1987 – 2006, William D. Witter, Inc.

Matthew J. Cherashore

Hamilton College, Clinton, NY 1993-1998 BA Economics

New York University, New York, NY 2008-2011 MBA Finance

Industry Exams: Series 7, 63, 65

Business History: 2001 – Present, The Winchester Group, Inc.

Matthew Farkas

Tufts University, Medford, MA, BA 1980 – 1984 BA Political Science

New York University, New York, NY 1984 – 1986 MBA Finance

Industry Exams: Series 65

Business History: 2010 – Present, The Winchester Group, Inc.

2006 – 2007, CRT Capital

2005 – 2006, Preferred Investors

1999 – 2004, Rogue River Investments

1996 – 1999, Needham and Co.

Item 7 *Client* Information Provided to Portfolio Managers

All client portfolios are managed internally by Winchester's money managers. You are in direct communication with your money manager.

Winchester does not provide client information to third parties other than your directed Custodian

Item 8 *Client* Contact with Portfolio Managers

We will provide you with direct contact information for your portfolio manager. Our managers encourage our clients to contact them with any questions they may have, and will be reasonably available to discuss your account with you.

Disciplinary Information

Winchester has no record of legal or disciplinary events that we consider to be material to your evaluation of our advisory business or the integrity of our management.

However, on August 23, 2007, FINRA initiated regulatory action against Winchester BD regarding TRACE LATE REPORTING. Without admitting or denying guilt, Winchester resolved this matter through an Acceptance, Waiver & Consent (AWC) on August 17, 2009. The sanction ordered was a monetary fine of \$7,500.

Due to a limitation in our clearing agent's computer program, Winchester BD inadvertently violated the trace 15-minute reporting window for corporate bond trades in 2007. Their computer application designed to divide an executed trade among several client accounts carried the "time stamp of execution," instead of the "time stamp of allocation." All initial street-side bond purchases were correctly reported to trace within the 15 minute timeframe. Violations of the trace reporting requirements occurred when the trades were allocated among client accounts later in the day. We have since worked with our clearing agent to put procedures in place to ensure that both our initial purchases and our subsequent allocations among client accounts are reported to trace with the correct time stamps.

Other Financial Industry Activities and Affiliations

Affiliated Broker-Dealer

Winchester is registered as a broker-dealer with the SEC and the Financial Industry Regulatory Authority, Inc. and may effect securities transactions for compensation. As a broker-dealer, Winchester will share in those commissions. Some of Winchester's compensation directly relates to revenues from these sources. Our receipt of brokerage commissions could give rise to a potential conflict of interest since our share of those commissions constitutes additional compensation beyond our management fees.

Winchester BD is an introducing broker only. The Custodian serves as Winchester BD's clearing firm and carries accounts for clients of Winchester BD on a fully-disclosed basis. For its services to Winchester BD and its customers, the Custodian receives a portion of any compensation paid to Winchester BD for securities transactions.

Affiliated Investment Adviser

We provides certain administrative, back-office, regulatory and related services to JES Partners Management, LLC, a private investment adviser that, along with its affiliates, serves as investment manager and/or general partner to certain private investment funds. Winchester maintains policies and procedures designed to ensure that the investment advice provided by JES and Winchester remains independent.

Other Financial Industry Activities

We provide recommendations and brokerage execution services to institutional clients. Our principal business is to provide investment advice and brokerage execution services. Our firm splits its time equally between its investment advisory business and its broker-dealer business.

Winchester may provide investment advisory services to limited partnerships.

Code of Ethics

High ethical standards are essential for Winchester's success, and for maintaining the confidence of clients and investors in investment funds we manage. Our long-term business interests are best served by adherence to the principle that the interests of clients come first. We have a fiduciary duty to clients to act solely for their benefit. All of Winchester's personnel, including directors, officers and employees, must put the interest of our clients before their own personal interests and must act honestly and fairly in all respects in dealings with clients. All personnel must also comply with all federal securities laws.

A copy of Winchester's complete Code of Ethics is available upon request by contacting Clare Nolan at cnolan@winchestergroupinc.com.

From time to time, Winchester's employees or related persons may purchase or sell securities also purchased or sold for clients. To avoid conflicts of interest, we impose a policy of restriction on all officers, directors, employees and their close relatives with regard to brokerage activities for their own accounts. None of these individuals will be permitted to receive a more favorable execution price from Winchester than that received by our clients during the same period of time. Winchester will not recommend you purchase securities in which an officer, director or an employee or their close relatives has a significant position without informing you beforehand. When determining what constitutes a significant position, we consider the following: the percentage of the public float owned and the relative importance of the position in the individual's account.

Public float means the number of outstanding shares of a stock owned by the public, outside of company directors and executives.

Review of Accounts and Reporting

Portfolio managers review their accounts daily. Whenever transactions occur in a client account the account is checked the following day by the portfolio manager and administrative staff. In addition, informal reviews are made on a continuous basis as warranted by cash additions or withdrawals, portfolio changes or client inquiries. Portfolio holdings are reviewed more frequently than once a week.

Periodic statements showing all transactions, money movements and security positions are provided directly to you by the Custodian. In addition, we can provide you with monthly and/or quarterly investment advisory appraisals as you see fit. We recommend that you compare quarterly account statements you receive from the custodian with the appraisals you receive from Winchester.

Client Referrals and Other Compensation

Winchester has no arrangements under which we or any related person compensate another for client referrals. We do not receive any economic benefit from a person who is not a client for providing advisory services to clients.

Winchester has engaged a consultant to help it in its efforts to garner institutional business. Should his efforts prove successful he will receive a payment recorded as a percentage of the fee earned on such a business. We did not have any such business in 2010 or prior years.

Financial Information

Winchester does not have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Investment Discretion

The Agreement allows Winchester to determine which investments should be purchased and sold for your account (subject to any restrictions you may provide) and in what quantities. Given that clients of the Program will have directed us to use Winchester BD to execute securities transactions whenever possible, we generally will not have the authority to determine which broker should be used.

Allocation Policies

Winchester allocates securities purchased or sold for our clients according to our trading, allocation and aggregation policies. In allocating securities among clients, it is Winchester's policy to treat all clients fairly. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may, however, be differences in the assets in clients' portfolios. Winchester's money managers submit an allocation statement to Winchester's trading desk detailing the allocation of securities to or from client accounts for each trade/order submitted. Factors our money managers may consider in allocating securities among clients include:

- investment objectives and strategies;
- risk profiles;
- tax status and any restrictions placed on a client's portfolio;
- size of account;
- total portfolio invested position;
- nature and liquidity of the security to be allocated;
- size of available position;
- supply and demand for a security at a given price level;
- current market conditions;
- account liquidity, account requirements for liquidity and timing of cash flows;
- other information we determine to be relevant for fair allocation.

These factors may lead a money manager to allocate securities to client accounts in varying amounts. Even accounts that are typically managed in a similar fashion may from time to time receive differing allocations of securities. Because of its size, any allocation of securities involving 1,000 shares or fewer may be done in any manner the money manager deems appropriate.

Item 10 Requirements for State-Registered Advisers

Not applicable. The Winchester Group, Inc. is an SEC-registered investment adviser.