
WINDWARD CAPITAL MANAGEMENT CO.

RISK AVERSE ASSET MANAGEMENT

INFORMATION CONTAINED IN FORM ADV, PART 2A & 2B



WINDWARD CAPITAL MANAGEMENT CO.

11111 Santa Monica Boulevard, Suite 1200

Los Angeles, CA 90025

(310) 893-3000

www.windwardcapital.com

Primary Contact: Stephan R. Pene, Chief Compliance Officer

Item 1 Cover Page

This brochure provides information about the qualifications and business practices of Windward Capital Management Company (“Windward”). If you have any questions about the contents of this brochure, please contact us at 310-893-3000. 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 Windward is also available on the SEC’s website at www.advisorinfo.sec.gov.

Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 Material Changes



Does not apply to Windward.

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Item 4 Advisory Business

Windward Capital Management Company (“Windward”) is a wholly owned subsidiary of Windward Capital Group, Inc. (“WCG”). Windward was incorporated on October 10, 1995, and has been in operation since January 1996.

The sole business of Windward is to provide fee-based investment supervisory services to all of its clients. Investment advisory fees are calculated as a percentage of assets under management.

All clients’ portfolios are managed on a discretionary basis, and Windward offers equity, balanced, options, and fixed income management services.



Windward offers advice on the following: equity securities, including exchange-listed securities, securities traded over-the-counter and convertible bonds; foreign issues; warrants; corporate debt securities (other than commercial paper); commercial paper; certificates of deposit; municipal securities; investment company securities, including mutual fund shares; United States government securities; and option contracts on securities.

Windward does specific analysis of each client's individual investment experience, sophistication, and needs to determine which investment strategy would be suitable for the client. If desired, clients may also impose restrictions on investment, including requesting to have equities selected that reflect a social or environmentally sensitive investment strategy.

Windward does not participate in wrap fee programs.

As of June 30, 2011, Windward managed \$266,418,857.00 of client assets on a discretionary basis. Windward does not hold assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

Windward charges an annual management fee for its services. Fees are charged quarterly in advance, and are due and payable on the first day Windward has been hired to manage a client's assets. Management fees are deducted directly from clients' assets, or at Windward's sole discretion, clients may request to be billed and pay management fees separately. Fees are deducted from clients' accounts directly from the custodian, or for directly billed accounts, bills are sent within 15 days of quarter end to the record address of the client. Windward personnel and their relatives may be exempt from management fees. Fees may be negotiated.

The annual fee for all-equity or balanced accounts is as follows:

- 1.25% on the first \$3 million of assets under management
- 1.00% on the next \$2 million of assets under management
- 0.85% on the next \$5 million of assets under management
- 0.70% over \$10 million of assets under management

The minimum annual fee for equity or balanced accounts is \$5,000

The annual fee schedule for Fixed-Income Accounts is as follows:



0.60% on the first \$10 million of assets under management
0.50% on the next \$5 million of assets under management
0.40% on the next \$5 million of assets under management
0.30% on any amounts in excess of \$20 million of assets under management.

The minimum annual fee for Fixed Income Accounts is \$5,000.

The annual fee for margin with a long/short and/or covered call writing option strategy accounts is 1.50% of portfolio value.

Certain clients will be subject to a fee schedule that may be lower than the schedule shown above. Multiple accounts from the same investor may, at Windward's sole discretion, also be combined for calculation of fee purposes.

A client may terminate asset management services by providing Windward with thirty-days' prior written notice of such termination. After the thirty-day period has expired, a pro-rated amount of fees covering the remaining period will be promptly and fully refunded. Windward, in its sole discretion, may allow certain clients to terminate with less than thirty days notice, however management of the client's account always ends when written notice is received.

Windward may enter into client referral arrangements with various consultants, including but not limited to investment advisers and broker/dealers, whereby Windward's standard fee schedule may be increased to as much as 3.00%, or reduced by an agreed upon amount for those clients referred by the consultant. The client may pay a fee to both the consultant and Windward, or Windward may pay the consultant with a portion of its fees. The combined fees paid by the referred clients will generally be greater than the fees the client would pay if not referred to Windward by the consultant.

In addition to management fees, clients incur other fees and expenses in connection with our advisory services. All fees incurred in the course of management are in addition to management fees, unless specifically disclosed by Windward. The custodian of client assets may charge a custody fee on a quarterly basis. Clients will also incur brokerage commissions and other transaction costs. See Item 12 herein for more information regarding brokerage costs. Clients who own mutual fund assets, including money market funds, will be paying two fees for the management of those assets, one to Windward and one to the manager of the mutual fund. Clients with margin balances or loans against the value of their securities pay interest on a monthly basis for these balances.



Windward employees, acting in their role as registered representatives with an affiliated broker/dealer may receive a 12b-1 trailer fee on client assets invested in securities that distribute 12b-1 fees, as well as brokerage commissions from client trading activity not associated with the client's Windward portfolio. This practice may constitute a conflict of interest to Windward or the employee in that it may give them an incentive to recommend investment products based on the compensation received. All accounts and transactions offered by Windward employees who are also registered representatives are reviewed and approved by a principal of Windward, and must be determined to be suitable for the client. Clients have the option to purchase investment products that are recommended by our employees through other brokers or agents that are not affiliated with Windward.

Item 6 Performance-Based Fees and Side-by-Side Management

Does not apply to Windward.

Item 7 Types of Clients

Windward generally provides investment advice to individuals; pension and profit sharing plans; trusts, estates or charitable organizations; and corporations or business entities other than those listed above.

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

The primary product offered by Windward is called "Risk Averse Asset Management," referred to as RAAM. RAAM is available to clients as an all-equity product, or as part of a balanced account containing stocks and bonds.

In the world of investment management, there are a number of different investment styles that can be employed in the management of a client's portfolio. The two most common styles are Growth and Value, and many investment managers adhere strictly to one or the other of these styles in the belief that one is superior to the other. We disagree with this approach.

Historic performance comparisons between growth and value stocks tend to suggest that neither style, if used to the exclusion of the other, is more likely to produce better performance results. For this reason, Windward's Risk Averse Asset Management (RAAM) portfolios are often constructed using both growth and value securities.



In addition to RAAM, Windward also offers other investment strategies:

Capital Appreciation (CAPAP): Our Capital Appreciation (CapApp) strategy is a Large Cap Growth strategy focusing primarily on the growth characteristics of the companies within our economic and sector themes. The portfolios nonetheless are constructed to mitigate risk and experience less volatility than a traditional Growth portfolio, while achieving superior results.

Balanced Growth: Many investors do not feel that they can accept the risk of an all- equity portfolio. The Windward Balanced Growth account strategy is designed to address this issue by incorporating the added stability of bonds to the portfolio RAAM or CapApp equity portfolio. While the size of the bond allocation can be tailored for the client's individual investment goal, a 30% to 35% allocation to fixed income securities is quite common among our clients.

Balanced Income: With an asset allocation beginning with 65% fixed income and only 35% equities, the Balanced Income accounts are among the most conservative that Windward manages. Many clients with a need for high current income (combined with an opportunity to offset inflation) have found these accounts offer the potential income they need, even as they seek to protect their consumer buying power from inflation. Again, the size and characteristics of the fixed income securities used can be tailored to fit the individual client.

Fixed Income: In addition to the above balanced strategies, clients may choose to have a portfolio constructed entirely of fixed income products. Generally, our fixed income philosophy centers on our belief that bonds with intermediate maturities can capture the majority of the yield available from bonds with long maturities. By dollar-weighting our fixed income investments to reflect this belief, we feel that we are better able to control both interest rate and credit risk. Technical analysis may also be used to fine tune exit or entry points for each investment.

The Windward fixed income process incorporates client objectives, tax considerations, investment alternatives, average maturity and duration targets. Windward generally purchases fixed income securities with a 10-year maximum maturity, and prefers a 5-year average maturity for the fixed income portion of these portfolios. Windward does not normally use the strategy known as "laddering" wherein specific bonds are bought so that each will mature at a different date in the future.

Unless directed differently by the client, Windward may use high yield bonds in the fixed income portion of a client portfolio. These bonds are one grade or more below what most



investors and rating agencies consider “investment grade” and, therefore, carry a greater risk that the issuer will not be able to meet the interest payment obligation. Windward generally purchases high-yield corporate bonds with a Standard & Poor’s rating of BB.

Covered Call Writing: Windward also offers a Covered Call Writing Strategy that is designed to produce increased short-term capital gains through writing covered calls on select equities, generally, possessing higher risk characteristics than the S&P 500 Index. We seek to generate short-term gains on a monthly basis. Our investment and trading process generates both a high portfolio turnover and greater risk than a more traditional buy-and-hold or covered call writing strategy, which is due to the use of leverage in our covered call writing strategy. Every effort is made to write only in-the-money calls that will offer some downside protection for the underlying equity; however, economic sector and diversification is a secondary consideration.

As described above, Windward uses a proprietary relative dividend yield analysis to assist in making investment decisions. This method primarily uses fundamental methods of security analysis. Technical analysis and charts are used to supplement fundamental research.

The main sources of information Windward uses include financial newspapers and magazines, inspections of corporate activities, research materials prepared by other firms, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission, computer-accessed databases, company press releases and direct interviews with management. The investment strategies used to implement any investment advice given to clients include long-term purchases (securities held at least one year), short-term purchases (securities sold within one year), and trading securities (securities sold within 30 days), and may include option writing, including covered options, uncovered options, or spreading strategies.

Clients may open a margin or loan account against their portfolio. If the market value of this portfolio decreases, the client may receive a request for additional capital to be added to the portfolio. If the client fails to add the capital, the firm with whom the client has the margin or loan agreement may sell the securities out of the client’s account at a significant loss to the client. In addition, the client will pay interest on the funds it borrows. The performance gains in the client’s account may not be sufficient to offset the client’s additional costs related to this borrowing. Therefore, the performance of these accounts may be lower than the other Windward accounts that do not have margin or loan agreements in place.

Item 9 Disciplinary Information



Does not apply to Windward.

Item 10 Other Financial Industry Activities and Affiliations

Robert Nichols, Donald Bessler, Stephan Pene, and Kenneth Kilpo are also registered representatives with S.L. Reed & Company (“SLR”), an affiliate of Windward. Windward places trades for its managed clients through SLR as an introducing broker/dealer.

The above relationship creates a potential conflict of interest in the following two ways: The principals may be encouraged to trade the accounts with excessive frequency (“churning”) due to the potential to create additional commissions for SLR. Also, the potential exists for clients to incur higher commissions than if their trades were sent to an unaffiliated broker/dealer.

Windward addresses the potential churning conflict by trading all client accounts with a strict allocation model. In terms of commissions, Windward makes an ongoing good faith effort to monitor and determine that SLR commissions are competitive based on current circumstances, taking into consideration all factors including services provided, financial strength, and execution capacity.

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

Windward has a code of ethics intended to enable us to maintain the highest of ethical standards and to ensure full conformity with the rules and regulations of the Investment Advisers Act and state securities laws, which apply to personal conduct of our employees. See the back cover of this brochure for information on how to obtain a full copy of Windward’s code of ethics.

It is the overall code of ethics of Windward that employee transactions not be in conflict, or, in Windward’s judgment, not be perceived as being in conflict, with any client activity or trade.

Employees and their immediate families (parents, spouse, children, minor brothers or sisters living with parents or employee, non-minor brothers or sisters living with employee, any circumstances where the employee has control or influence over the investment decision of any relative, or is a trustee or executor of an estate), commonly referred to as “employees”, may not benefit, directly or indirectly, at the expense of clients, nor take advantage of, or trade on the knowledge they may have of transactions pending, and the possible or potential market impact of such transactions.



Windward has no restrictions on employee transactions in U.S. government securities and open-end mutual funds because in Windward's view, as it relates to these securities, there is no opportunity for employees to benefit at the expense of, or because of, action taken for clients.

In specific cases where assets of employees or immediate family members are held in a "blind" trust, then those assets may be deemed as exempt from the above-listed trading policies. Consideration as a blind trust indicates that: 1) the employee has no knowledge or information regarding the specific securities held in the trust; 2) the beneficial owner exercises no control or influence over the selection of specific investments in the trust; and 3) the trustee or an independent investment manager has full discretion to manage the assets, limited only by the fiduciary obligation to invest for the best interest of the beneficial owner.

In order to assure that all employees and their related accounts are in compliance with Windward's code of ethics and employee trading policy, all employee and related trades are approved, in advance, by a Portfolio Manager, and reviewed same day by the Chief Compliance Officer.

Employees may invest in securities that are currently owned or being purchased for clients. Windward believes this creates a commonality of interest. Employees may purchase securities that are being considered for purchase in client accounts, and consequently, may obtain a price that is better or worse than the price the client would obtain when purchasing such securities. In addition, employees may sell securities that are being considered for sale in client accounts, and consequently, may obtain a price that is better or worse than the price the client would obtain when selling such securities.

Securities owned by employees may also be considered or recommended for purchase by Windward on behalf of its clients. When a security or group of securities is being purchased for clients' accounts as part of an investment strategy or "block customer trade", no employees may purchase that security until all client purchases have been completed and not until the next business day. After client purchases are completed, employees may place transactions in those same securities.

When a security or group of securities is being sold for clients' accounts as part of an investment strategy or "block customer trade", no sales of that security may be made for any employee account until after the sales for clients' accounts have been completed and not until the next business day. An exception to this general rule that employee trades will come after client trades



is when the employee account is also a client account. Such employee accounts will generally be treated in the same manner as other client accounts, except that they are exempt from the management fee.

Another exception is when new clients join Windward, or when clients' investment objectives and/or policies change. In these circumstances, employees may have purchased or sold securities before Windward purchases or sells the same securities for clients' accounts.

As a result of Windward's policy with respect to personal trading by employees after initial investment strategies, or block trades have occurred, it is possible that Windward employees may purchase or sell the same securities as clients on the same day or in advance of a client's transaction and the employee may receive a more favorable price than a client. Moreover, Windward permits employees to sell a security when Windward is holding that security for existing clients and purchasing it for new clients.

There may also be a small number of instances, in which all purchases have to be made at the same time and price, for example in an initial public or secondary offering that is not considered a 'hot issue'. In these cases, Personnel and clients may purchase securities at the same time and price. In addition, in tender offers, forced conversions, or other corporate events, employee transactions may take place at the same time and price as transactions for clients.

To ensure compliance with Windward's trading policies, all employees are required to provide Windward with copies of confirmations from all employee transactions and copies of regular statements showing account activity and existing holdings.

Item 12 Brokerage Practices

In selecting the broker-dealer for clients who have given Windward the authority to do so, trades are allocated to brokers based on Windward's evaluation of each broker's capability to provide the best execution of the clients' transactions and the best overall cost or proceeds to the client. Factors considered by Windward include, but are not limited to, the commission rate charged, the availability and capability of the broker to effect the transaction in a timely and efficient fashion, the broker's facilities, reliability, financial responsibility, responsiveness to Windward, and any research and other services and products provided by the broker.

Windward may receive research, services and products which brokers customarily provide to institutional customers, including, but not limited to, statistical and economic data, research



reports on particular companies and industries, computer databases, software, and products used for research purposes with respect to the investment decision-making process. Windward may direct brokerage commissions generated by transactions in clients' accounts to particular brokers in exchange for such services. In such cases, Windward derives a benefit because we do not have to produce or pay for this research, products or services. The research services furnished by brokers in exchange for commissions paid by certain client accounts may be used for some or all of Windward's accounts and not just the accounts whose transactions paid for the research services. As a result of directing brokerage to pay for research services or products, it is possible that clients may pay a higher commission rate than that obtainable from another firm.

Windward may receive from brokers products or services that may be used both for research and for administrative, marketing, or other purposes. In these instances, Windward will make a good-faith effort to determine the percentage of such services or products directly connected to investment research and decision-making. The portion of the costs of these products attributable to research and investment decision-making may be defrayed through "soft-dollar" arrangements where Windward directs brokerage commissions generated by client transactions to that broker providing the service or product. The portion of the products and services that Windward determines to be for non-research purposes will be paid by Windward with its own funds.

Windward has an arrangement with Barclays Capital, (Barclays), whereby Windward receives access to The Open Bloomberg System, ("Bloomberg"), in exchange for commission dollars generated by Windward clients. Bloomberg provides information on various companies including corporate background, financial information, current corporate news, research, and analyst opinions. Windward uses the system as a research source in considering potential purchases or sales of securities for its clients. The ratio of commission dollars to hard dollars for Bloomberg is \$1.50 to \$1.00.

For the year ended December 31, 2010, Windward directed approximately \$67,549 of client commission dollars to Barclays, which left a surplus for services received of approximately \$8,291 commission dollars. Windward intends to direct client commission dollars to Barclays in the future.

Windward may select a broker or broker/dealer in recognition of the broker or broker/dealers' past referral of the particular client, for whom the transaction is being executed, or of other clients, or in recognition of possible future referrals from that broker. In these situations, Windward attempts to negotiate brokerage commission rates, which Windward believes are competitive based on current circumstances and commission rates negotiated with other brokers



providing similar execution capability.

Clients may request Windward to select the broker-dealer and the commission rates paid or clients may already have an existing relationship with a particular registered representative or broker/dealer. In the latter situation, clients may instruct Windward to direct all transactions generated by their portfolio to that registered representative (hereinafter referred to as "Directed Broker"). If requested to do so, Windward will execute those transactions with the Directed Broker. In those instances where clients have negotiated a mutually agreed upon commission rate with the Directed Broker, Windward will not attempt to negotiate commission rates. Clients must be aware that these directions may result in the client paying a higher commission, or price, and in receiving less favorable execution than that available if Windward were free to select the broker.

In those instances where clients with a Directed Broker request Windward to negotiate commissions on their behalf, Windward will make every effort to negotiate a commission rate competitive with that paid to other brokers providing comparable services and quality of execution. However, if that broker referred the client to Windward, Windward may have a conflict of interest in its ability to negotiate the best commission rate, while also continuing to receive client referrals from the referring broker.

In addition, as noted above, clients may select SLR to act as broker for the client's account. The client must authorize this selection in writing and agree to a stated, discounted commission rate. This commission rate may be higher or lower than a client could obtain from another broker. At times, SLR, in its sole discretion, may grant additional commission discounts to Windward clients for large volume trades. Mr. Nichols controls SLR and this control creates an additional financial incentive to direct trades to SLR.

SLR may act as broker on a client's account and receive commissions on transactions in the client's account. The employees may act as SLR's registered representatives on a client's account and receive a portion of the brokerage commissions generated by the client's account. Clients are not obligated to have SLR act as the broker on their accounts, and are not obligated to have employees act as the registered representatives on their accounts.

If the client chooses to have SLR and an employee effect transactions for the client's account, this arrangement will be approved by the client in advance of SLR acting as broker on the client's account. The commissions SLR will receive will be in addition to the payment of investment management fees to Windward by a client. Because Windward has discretionary



authority to manage its clients' accounts, Windward, through SLR, may have an incentive to engage in excessive trading in a client's account in order to receive more brokerage commissions.

Windward often aggregates orders for different clients and groups of clients, including employee accounts that are also client accounts, in an 'omnibus account' in the name of the client's custodian. If an order is placed in an 'omnibus account,' the client will not receive any confirmation from the broker, although the transaction will be reported on the client's monthly statement from the custodian. All accounts participating in these aggregated orders, called "block" trades will receive the same average price per share for the securities bought or sold, and will be charged the same commission per share. If an aggregated order is not filled completely, Windward will allocate the partially filled transaction to clients based on an alphabetical rotation.

Clients with a Directed Broker, including Windward employees, may not be able to participate in "block" trades, and may not receive the same execution price or commission rates as those clients who have given Windward discretion to select brokers and negotiate commissions. When possible, Windward will aggregate the trades of clients with the same Directed Broker, including a Windward employee acting as a registered representative. However, clients in an aggregated trade with a Directed Broker, other than a Windward employee, may pay different commission rates.

Item 13 Review of Accounts

All accounts are reviewed by one of the principals of Windward at least once per week. Additionally, any new purchase idea will cause each account to be reviewed immediately to determine the appropriateness of that particular investment for the client. Each sell idea causes every account to be reviewed to determine if that security is held by the client, and whether there are any policy or other reasons why the sell should not be carried out for each and every client involved. It is anticipated that all accounts will be reviewed at a minimum several times monthly.

The primary reviewers are Donald Bessler, Chief Investment Officer of Windward, and Robert Nichols, Chairman of Windward. Mr. Nichols and Mr. Bessler have access to all data files showing any specific instructions issued by each client.

Regular written reports are mailed to clients no less frequently than quarterly. Reports show a summary of cost and market value of the entire portfolio under management. Reports also show



sector detail with percentages of a portfolio invested in different economic sectors based on end of period prices. Reports include a listing of all holdings in a client's portfolio including cost, current price, number of shares, total cost, total market value, estimated income and/or yield.

Item 14 Client Referrals and Other Compensation

Windward may compensate certain employees or affiliates responsible for marketing and client service, at no additional cost to the client, with a percentage of management fees based on total management fees paid by clients to Windward.

Windward may enter into contractual agreements with non-affiliated individuals and organizations (referred to as "agents") that solicit clients for Windward. All such agreements will be in writing and will be in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940.

In no instance will the commission paid to affiliates, employees, or agents impact or increase the fees paid by the client to Windward.

Item 15 Custody

All client funds are held in custody at an unaffiliated broker/dealer or national bank. Clients receive monthly account statements directly from their custodian, and are encouraged to compare these statements with the quarterly statements issued by Windward.

Item 16 Investment Discretion

Windward's client agreement includes explicit authorization for Windward to determine, without obtaining specific client consent, which securities are being bought or sold and the amounts appropriate for each client. Any limitations on Windward's discretionary authority are defined by the client, and are given in writing as part of the clients' specific instructions in their management agreement, or otherwise by written request.

Item 17 Voting Client Securities

Windward votes all proxies on behalf of a client's portfolio unless (a) the client requests otherwise in writing, (b) the proxy is associated with a security that was transferred to Windward that the firm sold after the record date for voting the proxy; or (c) the costs of voting outweigh



the benefits. Windward acknowledges that conflicts of interest may arise between the firm and its clients with respect to voting securities. Windward has addressed conflicts of interest by developing firm guidelines around voting of securities, designed to keep clients best interests in mind during proxy voting. See the back cover of this brochure for information on how to obtain complete information on the proxy voting policy, as well as information on how we voted individual securities.

Item 18 Financial Information

Does not apply to Windward.



INFORMATION CONTAINED IN FORM ADV, PART 2B

Robert W. Nichols, Chairman and Portfolio Manager
11111 Santa Monica Blvd. Suite 1200
Los Angeles, CA 90025
(310) 893-3002

Item 1 Cover Page

This brochure supplement provides information about Robert W. Nichols that supplements the Windward Capital Management Company (“Windward”) brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Stephan R. Pene, at (310) 893-3006 if you did not receive Windward’s brochure or if you have any questions about the contents of this supplement.

Additional information about Robert W. Nichols is also available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2 Educational Background and Business Experience

Robert Wayne Nichols: Born 1938. **Education:** University of Texas at Austin, 1962; MBA Claremont Graduate School, 1983; MA Claremont Graduate School, 1984; Ph.D. Management Claremont Graduate School, 1992. **Business:** Chairman, Chief Executive Officer, Portfolio Manager, Windward Capital Management Co., 1/96-present; Chairman, S.L. Reed & Company, 1/96-present; Registered Representative, Laidlaw Equities, Inc., 11/95-4/97; Chairman, Incentive Benefits Inc., 11/92-12/95; Retired, 4/92-11/92; President, RNC Capital Management Co., an investment advisor, 3/71-4/92; (All of the following companies are affiliated with RNC Capital



Management Co.) Chairman of Midvale Securities Corporation, a broker-dealer, 9/84-4/92; Chairman, IMC Asset Management, Inc., a real estate syndication firm, 5/74-4/92; President, Roley, Nichols Capital Group, Inc., 7/76-3/92 and Executive Vice President from 3/92-4/92; President, La Mesa Associates, 5/74-2/92; President, Roley, Nichols & Company, 3/82-5/87; Chairman and CEO, RNC Regency Fund, Inc., 10/85-6/90; Chairman and CEO, RNC Income Fund, Inc., 5/86-6/90; Chairman and CEO, RNC Convertible Securities Fund, Inc., 8/86-6/90; Chairman and CEO, RNC Westwind Fund, Inc., 12/86-6/90; Chairman and CEO, RNC Short/Intermediate Government Securities Fund Inc., 7/88-6/90; Chairman and CEO, RNC Liquid Assets Fund, Inc., 5/86-6/90; Chairman and CEO, RNC Corporate Cash Management Fund, Inc., 8/86-2/89.

Item 3 Disciplinary Information

Does not apply to this individual.

Item 4 Other Business Activities

Mr. Nichols is a registered representative, general securities principal, municipal securities principal, and life and disability insurance agent of S.L. Reed and Company (SLR), an affiliate broker/dealer of Windward. Mr. Nichols does not receive 12b-1 fees, however as a registered representative he may receive brokerage commissions from client trading activity not associated with the client's Windward portfolio. This practice may constitute a conflict of interest to Windward or Mr. Nichols, in that it may give them an incentive to recommend investment products based on the compensation received. All accounts and transactions offered by Windward employees who are also registered representatives are reviewed and approved by a principal of Windward, and must be determined to be suitable for the client. Clients have the option to purchase investment products that are recommended by our employees through other brokers or agents that are not affiliated with Windward.

Item 5 Additional Compensation

Does not apply to this individual.

Item 6 Supervision

All portfolio management and investment decision making by Mr. Nichols is done in consultation with Mr. Donald Bessler, Chief Investment Officer and Portfolio Manager for



Windward. The portfolio managers reach a consensus before investment changes are made to portfolio composites or individual client portfolios.

All client interactions and advice given to clients by Mr. Nichols are supervised by:

Stephan R. Pene
Chief Compliance Officer
(310) 893-3006

Mr. Pene monitors advice provided to clients by reviewing and approving all advertising and sales materials in advance of such materials being given to clients. He also reviews all electronic and written correspondence between Mr. Nichols, clients, and the public at large. Mr. Pene reviews all paperwork and applications submitted by clients, referring to their financial background, experience, and investment needs, to determine whether the investment strategies and advice given by Mr. Nichols are suitable for the individual/institutional client(s).



Donald Bessler, Chief Investment Officer and Portfolio Manager
11111 Santa Monica Blvd. Suite 1200
Los Angeles, CA 90025
(310) 893-3004

Item 1 Cover Page

This brochure supplement provides information about Donald Bessler that supplements the Windward Capital Management Company (“Windward”) brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Stephan R. Pene, at (310) 893-3006 if you did not receive Windward’s brochure or if you have any questions about the contents of this supplement.

Additional information about Donald Bessler is also available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2 Educational Background and Business Experience

Donald R. Bessler, CPA: Born 1962. **Education:** BS Finance, BS Accounting, BA Psychology, Summa Cum Laude, Lehigh University, 1986. **Business:** Chief Investment Officer and Portfolio Manager, Windward Capital Management Co., 5/04-present; Unemployed, 04/04; Senior Vice President and Senior Portfolio Manager, First American Trust, FSB, 01/04-03/04; Senior Vice President and Senior Portfolio Manager, First American Capital Management, Inc., 06/02-12/03; Consultant, Self-Employed, 11/01-05/02; Principal, Managing Director, and Director of Research, Roxbury Capital Management, LLC, 08/92-10/01.

Item 3 Disciplinary Information

Does not apply to this individual.



Item 4 Other Business Activities

Mr. Bessler is a registered representative of S.L. Reed and Company (SLR), an affiliate broker/dealer of Windward. Mr. Bessler does not receive 12b-1 fees, nor does he currently receive brokerage commissions in his capacity as a registered representative with SLR. If he were to receive 12b-1 fees or commissions in the future, this may constitute a conflict of interest to Windward or Mr. Bessler, in that it may give them an incentive to recommend investment products based on the compensation received. All accounts and transactions offered by Windward employees who are also registered representatives are reviewed and approved by a principal of Windward, and must be determined to be suitable for the client. Clients have the option to purchase investment products that are recommended by our employees through other brokers or agents that are not affiliated with Windward.

Item 5 Additional Compensation

Does not apply to this individual.

Item 6 Supervision

All portfolio management and investment decision making by Mr. Bessler is done in consultation with Mr. Robert W. Nichols, Chairman and Portfolio Manager for Windward. The portfolio managers reach a consensus before investment changes are made to portfolio composites or individual client portfolios.

Any direct sales presentation, solicitation, or investment advice to individual/institutional clients or prospective clients are supervised by:

Stephan R. Pene, Chief Compliance Officer, 310-893-3006

Mr. Pene monitors advice provided to clients by reviewing and approving all advertising and sales materials in advance of such materials being given to clients. He also reviews all electronic and written correspondence between Mr. Bessler, clients, and the public at large. Mr. Pene reviews all paperwork and applications submitted by clients, referring to their financial background, experience, and investment needs, to determine whether the investment strategies and advice given by Mr. Bessler are suitable for the individual/institutional client(s).



Kenneth Kilpo, Managing Director, Advisory Services
11111 Santa Monica Blvd. Suite 1200
Los Angeles, CA 90025
(310) 893-3014

Item 1 Cover Page

This brochure supplement provides information about Kenneth Kilpo that supplements the Windward Capital Management Company (“Windward”) brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Stephan R. Pene, at (310) 893-3006 if you did not receive Windward’s brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth Kilpo is also available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2 Educational Background and Business Experience

Kenneth G. Kilpo: Born 1969. **Education:** BA, Economics, University of California-San Diego
Business: Managing Director, Advisory Services, Windward Capital Management Co. and S.L. Reed & Company, 04/2000-present; Financial Consultant, WM Financial Services, 08/1999-04/2000; Financial Consultant, Merrill Lynch, Pierce, Fenner & Smith Inc., 08/1998-05/1999; Broker, J. B. Oxford & Company 08/1994-07/1999.

Item 3 Disciplinary Information

Does not apply to this individual.

Item 4 Other Business Activities

Mr. Kilpo is a registered representative, general securities principal, and life and disabilities insurance agent of S.L. Reed and Company (SLR), an affiliate broker/dealer of Windward. In his role as a registered representative of SLR, Mr. Kilpo may receive a 12b-1 trailer fee on client assets invested in securities that distribute 12b-1 fees, as well as brokerage commissions from client trading activity not associated with the client’s Windward portfolio. This practice may constitute a conflict of interest to Windward or Mr. Kilpo, in that it may give them an incentive to recommend investment products based on the compensation received. All accounts and transactions offered by Windward employees who are also registered representatives are reviewed and approved by a principal of



Windward, and must be determined to be suitable for the client. Clients have the option to purchase investment products that are recommended by our employees through other brokers or agents that are not affiliated with Windward.

Item 5 Additional Compensation

Does not apply to this individual.

Item 6 Supervision

Mr. Kilpo is not directly involved in the investment allocation or daily portfolio management of clients of Windward. Mr. Kilpo does, however, provide investment consultation, analysis, and advice to clients and prospects regarding their investment portfolios, and advises clients on which investment allocation strategies provided by Windward, if any, would be suitable for their assets, in light of their investment sophistication, objectives, liquidity, tax situation, and investment needs.

All sales activities and investment advice are supervised by:

Robert W. Nichols
Chairman
(310) 893-3002

Mr. Nichols periodically sits in on, and participates in, sales presentations conducted by Mr. Kilpo, in order to supervise, train, and assure compliance with all applicable disclosure and presentation requirements.

All advertising and sales material used by Mr. Kilpo in sales presentations are reviewed and approved in advance by the Chief Compliance Officer, Stephan R Pene. Mr. Pene also reviews all electronic and written correspondence between Mr. Kilpo, clients, and the public at large. The portfolio managers, chiefly Mr. Nichols, approve and accept all management agreements submitted by Mr. Kilpo. Mr. Pene also reviews paperwork and applications submitted by clients, referring to their financial background, experience, and investment needs, to determine whether the investment strategies and advice given by Mr. Kilpo are suitable for the individual client.



Reed C. Nichols, Director of Advisory Services
11111 Santa Monica Blvd. Suite 1200
Los Angeles, CA 90025
(310) 893-3010

Item 1 Cover Page

This brochure supplement provides information about Reed C. Nichols that supplements the Windward Capital Management Company (“Windward”) brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Stephan R. Pene, at (310) 893-3006 if you did not receive Windward’s brochure or if you have any questions about the contents of this supplement.

Additional information about Reed C. Nichols is also available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2 Educational Background and Business Experience

Reed Chandler Nichols: Born 1984. **Education:** Santa Barbara City College **Business:** Vice President and Director of Advisory Services, Windward Capital Management Co., 7/2010-present; Vice President and Director of Advisory Services, S.L. Reed & Company, 11/2008-present; Account Specialist, Community West Bank, 05/2006-11/2008; Reconciliation Specialist, Pacific Capital Bancorp, 01/2005-05/2006.

Item 3 Disciplinary Information

Does not apply to this individual.

Item 4 Other Business Activities

Mr. Nichols is a registered representative and life and disability insurance agent of S.L. Reed and Company (SLR), an affiliate broker/dealer of Windward. In his role as a registered representative of SLR, Mr. Nichols may receive a 12b-1 trailer fee on client assets invested in securities that distribute 12b-1 fees, as well as brokerage commissions from client trading activity not associated with the client’s Windward portfolio. This practice may constitute a conflict of interest to Windward or Mr. Nichols, in that it may give them an incentive to recommend investment products based on the compensation received. All accounts and transactions offered by Windward employees who are also registered representatives are reviewed and approved by a principal of Windward, and must be



determined to be suitable for the client. Clients have the option to purchase investment products that are recommended by our employees through other brokers or agents that are not affiliated with Windward.

Item 5 Additional Compensation

Does not apply to this individual.

Item 6 Supervision

Mr. Nichols is not directly involved in the investment allocation or daily portfolio management of clients of Windward. Mr. Nichols does, however, provide investment consultation, analysis, and advice to clients and prospects regarding their investment portfolios, and advises clients on which investment allocation strategies provided by Windward, if any, would be suitable for their assets, in light of their investment sophistication, objectives, liquidity, tax situation, and investment needs.

All sales activities and investment advice are supervised by:

Robert W. Nichols
Chairman
(310) 893-3002

Mr. Robert Nichols periodically sits in on, and participates in, sales presentations conducted by Mr. Reed Nichols, in order to supervise, train, and assure compliance with all applicable disclosure and presentation requirements.

All advertising and sales material used by Mr. Reed Nichols in sales presentations are reviewed and approved in advance by the Chief Compliance Officer, Stephan R Pene. Mr. Pene also reviews all electronic and written correspondence between Mr. Nichols, clients, and the public at large. The portfolio managers, chiefly Mr. Robert Nichols, approve and accept all management agreements submitted by Mr. Reed Nichols. Mr. Pene also reviews paperwork and applications submitted by clients, referring to their financial background, experience, and investment needs, to determine whether the investment strategies and advice given by Mr. Reed Nichols are suitable for the individual client.



Joseph Robillard, Director of Institutional Sales
11111 Santa Monica Blvd. Suite 1200
Los Angeles, CA 90025
(310) 893-3033

Item 1 Cover Page

This brochure supplement provides information about Joseph Robillard that supplements the Windward Capital Management Company (“Windward”) brochure. You should have received a copy of that brochure. Please contact our Chief Compliance Officer, Stephan R. Pene, at (310) 893-3006 if you did not receive Windward’s brochure or if you have any questions about the contents of this supplement.

Additional information about Joseph Robillard is also available on the SEC’s website at www.advisorinfo.sec.gov.

Item 2 Educational Background and Business Experience

Joseph Robillard: Born 1981. **Education:** BA, Law & Society, University of California-Santa Barbara **Business:** Director/Institutional Sales, Windward Capital Management Co. and S.L. Reed & Company, 11/2010-present; Banker, Bank of Santa Barbara, 12/2009-11-2010; AVP Relationship Manager, Wells Fargo Bank 06/2008-07/2009; Banker, Montecito Bank & Trust, 10/2006-06/2008; Bartender, Peabody’s, 05/2006-10/2006.

Item 3 Disciplinary Information

Does not apply to this individual.

Item 4 Other Business Activities

Mr. Robillard is a registered representative and general securities principal of S.L. Reed and Company (SLR), an affiliate broker/dealer of Windward. In his role as a registered representative of SLR, Mr. Robillard may receive a 12b-1 trailer fee on client assets invested in securities that distribute 12b-1 fees, as well as brokerage commissions from client trading activity not associated with the client’s Windward portfolio. This practice may constitute a conflict of interest to Windward or Mr. Robillard, in that it may give them an incentive to recommend investment products based on the compensation received. All accounts and transactions offered by Windward employees who are



also registered representatives are reviewed and approved by a principal of Windward, and must be determined to be suitable for the client. Clients have the option to purchase investment products that are recommended by our employees through other brokers or agents that are not affiliated with Windward.

Item 5 Additional Compensation

Does not apply to this individual.

Item 6 Supervision

Mr. Robillard is not directly involved in the investment allocation or daily portfolio management of clients of Windward. Mr. Robillard does, however, provide investment consultation, analysis, and advice to clients and prospects regarding their investment portfolios, and advises clients on which investment allocation strategies provided by Windward, if any, would be suitable for their assets, in light of their investment sophistication, objectives, liquidity, tax situation, and investment needs.

All sales activities and investment advice are supervised by:

Robert W. Nichols
Chairman
(310) 893-3002

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Available Disclosures:

Code of Ethics:

Windward Capital Management Company has a code of ethics intended to enable us to maintain the highest of ethical standards and to ensure full conformity with the rules and regulations of the Investment Advisers Act and state securities laws, which apply to personal conduct of our employees.

Privacy Policy:

Windward is committed to safeguarding your personal information. Windward has a privacy policy, which describes how we handle and protect personal information we collect. This policy applies to all past, present, and future customers of Windward.

Proxy Policy:

Windward votes all proxies on behalf of a client's portfolio unless (a) the client requests otherwise in writing, (b) the proxy is associated with a security that was transferred to Windward that the firm sold after the record date for voting the proxy; or (c) the costs of voting outweigh the benefits.

Business Continuity Plan:

The firm maintains a business continuity/emergency preparedness plan to assure that your account information and your account assets will be protected in the case of an emergency or significant business interruption that affects the facility, systems or staff.

A complete copy of Windward's Code of Ethics, Privacy Policy, Proxy Policy, or Business Continuity Plan can be obtained by writing to Windward at:

Windward Capital Management Company
Attn: Chief Compliance Officer
1111 Santa Monica Blvd., Suite 1200
Los Angeles, CA 90025

Or by calling the Chief Compliance Officer at 310-893-3006.