

**FORM ADV**  
**Part 2A Brochure**



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This brochure provides information about the qualifications and business practices of Leeward Investments, LLC ("Leeward"). If you have any questions about the contents of this brochure, please contact us at (617) 468-6700. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

We are a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information which you may use to determine whether to hire or retain an adviser.

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

## **Item 2 - Material Changes**

This Firm Brochure is the disclosure document for Leeward Investments, LLC ("Leeward", "we" and/or the "Firm") prepared according to regulatory requirements and rules.

Leeward is required to amend this Brochure when information becomes materially inaccurate. In the future, this Item 2 will be used to provide you with a summary of new and/or updated information since the previous Brochure. We will inform you of the revisions based on the nature of the updated information.

We will provide you with an updated Brochure on an annual basis. We will also provide you with other interim disclosures about material changes to the information provided in this Brochure as necessary or required.

Leeward Investments, LLC ("Leeward") became 100% owned by its employees and led by R. Todd Vingers, President as of March 1, 2022. LMCG Investments, LLC ("LMCG") spun-off a portion of its business and those employees of LMCG responsible for managing this business, including R. Todd Vingers, became employees of Leeward.

In this annual ADV Part 2A amendment ("Brochure") dated 3/26/2024, we updated our assets under management, our GIPS performance details and changed our business address from 201 Washington Street, Boston, Massachusetts 02108 to 10 Winthrop Square, Suite 500, Boston, Massachusetts 02110 since we moved our principal office and place of business in March 2024.

If you would like to receive a complete copy of the current Brochure, please contact our Chief Compliance Officer, Patricia Thompson, by phone at (617) 468-6700, or by e-mail at [compliance@leewardinvest.com](mailto:compliance@leewardinvest.com). We will be happy to provide you with a complete copy.

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## **Item 4 – Advisory Business**

Leeward Investments, LLC ("Leeward", "we" and/or "the Firm") is a SEC-registered investment adviser with its primary office located in Boston, Massachusetts. We are a member managed Massachusetts Limited Liability Company owned 100% by our employees and led by R. Todd Vingers, President, who owns more than 25% of the Firm.

Leeward became 100% employee owned as of March 1, 2022 when LMCG Investments, LLC ("LMCG") spun-off a portion of its business and those employees of LMCG responsible for managing this business, including R. Todd Vingers, became employees of Leeward. Leeward has no affiliates. See Item 10 for additional information about our financial industry affiliations.

The following paragraphs describe the services offered by the Firm. As used in this Brochure, the words "our" and "us" also refer to the Firm. The words "you," "your" or "client" refer to our clients and prospective clients. Other terms may be defined later in this Brochure as well.

### ***Advisory Services***

Our Small Cap, Mid Cap and Small-Mid Cap Value Strategies apply a classic value investment style focusing on solid small cap and mid cap companies, respectively, whose stock we believe is temporarily out of favor in the market. The strategies emphasize companies with higher returns on capital, free cash flow, and strong balance sheets. These companies often dominate a particular industry niche. Generally, these industries have significant barriers to entry and, as a result, are able to perpetuate a higher return on capital over time. The strategies emphasize strong risk-adjusted returns by taking modest bets and focusing not only on upside but also on limiting the downside.

Leeward believes that responsible investment practices incorporating an assessment of environmental, social and governance (ESG) factors, adds sustainable value for our investors by mitigating risk and positively influencing long-term financial performance, consistent with our fiduciary duty. Our firm has adopted a formal ESG Policy to define our approach to integrating the considerations of ESG factors into our investment analysis and decision making processes.

### ***Additional Advisory Services***

We act as a sub adviser to several registered mutual funds. In almost all such engagements we provide professional investment advisory services on a discretionary basis. Investments for advised and sub advised mutual funds are managed in accordance with each fund's investment objective, strategies, and restrictions and they are not tailored to the individualized needs of any particular fund investor.

*Wrap Fee/Sponsored Programs:* We participate in wrap fee advisory programs sponsored by unaffiliated advisors, broker-dealers, and banks (collectively, the "Sponsors"). Under these programs, the Sponsors are responsible for selecting or facilitating the selection of advisers, pre-screening client suitability, most aspects of direct client servicing, and operations. We provide separate account advisory services with various investing strategies to clients of the Sponsors. Trades are generally placed with brokers designated by the Sponsors, although we may use other brokers. See Item 12 for information about how directed brokerage affects management of client accounts. In determining whether to establish a wrap fee program account, a client should be aware that the overall cost to it may be higher or lower than it might incur by engaging us directly.

*Model Portfolio Programs:* We provide model portfolios for particular strategies to clients that are investment advisers, mutual funds, platforms and other similar aggregation entities ("Model Clients"). These Model Clients use the recommendations comprising our model portfolios as a basis for investment strategies that they offer to

their clients or investors. We do not create our model portfolios for the individual or particular needs of their clients or investors, or any other individual, but rather provide what we believe is an appropriate allocation and weighting of securities for a given asset class. Our Model Clients have discretion to determine how and when to implement our model portfolios and our changes to these portfolios and we have limited or no trading authority in such arrangements.

### ***Client Restrictions***

Clients invested in our separately managed accounts may place investment restrictions (as to individual securities/tickers, positions, industries, cash, etc.) subject to our approval. When we invest the assets of those accounts in ETFs, our ability to avoid investments in a specific company or industry, in accordance with a client's restrictions, may be fully or partly curtailed. When investing in ETFs we do not look through the underlying holdings for client-specific restrictions. We inform these clients of the impact of investment restrictions. See Item 16 for additional information on client-imposed restrictions.

### ***Assets Under Management***

As of December 31, 2023, Leeward had approximately \$2.8 billion in assets under management. Discretionary assets under management totaled \$2.1 billion; non-discretionary assets under management totaled \$651 million.

## **Item 5 - Fees and Compensation**

We generally set standard fee schedules for our strategies. Fees may be negotiable based upon factors including services required, size of assets to be managed, product type, the medium for delivering our advisory services, investment capacity, and size of the overall relationship.

Generally, we are compensated by our clients on the basis of assets under management computed and payable quarterly. Fees are calculated each quarter and one fourth of the annual amount is billed in arrears, unless the client and we agree to another arrangement. Clients may elect to be billed directly for fees or to authorize us to directly debit fees from client accounts.

### **Fees for Separately Managed Accounts**

<b>Strategy</b>	<b>Standard Fee Range</b>
US Value Strategies	0.55% - 1.00%

Our investment management fees are exclusive of brokerage commissions, transaction fees, and other related costs which are incurred by the client. Clients may incur and be responsible for payment of other charges imposed by custodians, brokers, and other third parties such as fees charged by any other client-engaged advisors, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

### ***Fees for Mutual Funds***

Our fees for services as a mutual fund sub adviser are negotiated with, and compensated by, each fund or trust. Our fees are charged in a manner similar to separately managed accounts or paid directly by the financial intermediaries. Mutual funds and ETFs also charge internal management fees, which are disclosed in a prospectus. Such charges, fees, and commissions are exclusive of and in addition to our fees, and we do not receive any portion of these commissions, fees, and costs.

### ***Fees for Wrap Fee Programs and Model Portfolio Accounts***

Advisory fees earned by us for wrap fee programs are covered under agreements with the Sponsors and are part of a single inclusive (wrap) fee charged by each Sponsor to clients for investment advisory services, commissions, custody, and administrative costs. Fees for wrap fee accounts are based on each client's assets under management. The fee and service arrangements for accounts under any wrap fee program are negotiated between each client and the Sponsor. The fee paid by a client to the Sponsor may cover services of the Sponsor and/or its affiliated entities such as trade execution and custodial services. We receive a portion of the wrap fee for the advisory services we render to the client. Sponsors often opt to create their own fee invoices in lieu of ours.

For model portfolio accounts, we are paid at negotiated rates by the Model Clients that receive our model portfolios.

### ***Additional Fee Details***

In certain situations, we may generate more revenue from one client relationship than another depending on size of assets or fee structure. To ensure fairness to all clients, we have adopted certain policies and follow certain procedures that are designed to prevent favoring one account over another. These procedures include side-by-side management controls, trade aggregation, and trade allocation procedures.

We may charge a flat fee for accounts where the account type, services provided, size of assets, or similar factors indicate that a flat fee is appropriate. In addition, for accounts under a certain size, a minimum fee may be charged based on the specific type of account. See Item 7 for additional information about minimum account sizes.

Fees are charged quarterly in arrears based on the market value of the client's account(s), as determined by Leeward or by the custodian, on the last business day of the quarter; provided, however, that for the initial quarter the client engages the Firm, fees are charged on a pro-rated basis in arrears on the last business day of the initial quarter. For partial quarters, fees are pro-rated. Unless other arrangements are made, fees are directly debited from a client's account(s), and each client is required to provide the qualified custodian of the client's account(s) written authorization to deduct the fees described.

Cash and assets which are invested in exchange-traded funds are included in the calculation of the value of the client's assets under management with us for purposes of computing our fee. Cash and money market accounts are also included in the computation.

The client's custodian sends the client a statement, at least quarterly, indicating the amount of our fees and all amounts disbursed from the account to us for our fees. The client is responsible for verifying the accuracy of the fee calculation, as the custodian will not verify the calculation. Payment of fees may result in the liquidation of client's securities if there is insufficient cash in the client's account(s).

### ***ERISA Account Fees and Compensation***

US Department of Labor regulations under the Employee Retirement Income Security Act ("ERISA") require that we disclose information about direct and indirect compensation we reasonably expect to receive in connection with the investment management services we provide to employee benefit plans subject to ERISA. We provide discretionary investment management services to ERISA plans as described in each investment management agreement between an ERISA plan and us.

### ***Direct Compensation***

We receive an annual investment management fee, which is billed or invoiced to the responsible plan fiduciary. The fee is paid in arrears from the assets of the account or by the plan sponsor, in its discretion and in accordance with plan documents. The fee is based on the value of the assets of the account. Additional details regarding the fees we charge are contained in the fee section of each investment management agreement between an ERISA plan and us.

### ***Indirect Compensation***

*Soft Dollars* - We receive proprietary and third party research and brokerage services within the meaning of Section 28(e) of the Securities Exchange Act of 1934 from certain broker-dealers that execute our clients' securities trades. Such indirect compensation is expected to be within a range of approximately 25% to 35% of total brokerage commissions paid based on historical data. Proprietary research generally includes access to conferences, analysis, forecasts, and in-house research. This type of research does not have an identifiable monetary value, and the specific eligibility conditions for our receipt of proprietary research (other than using the broker-dealer's services) are not shared with us. Information regarding third party research attributable to trading by our ERISA clients, and the broker-dealers that provided the research, is available to those clients upon request. Additional information about our soft dollar practices can also be found under Item 12 - Brokerage Practices.

*Gifts and Gratuities* - Our gift and entertainment policy was developed in accordance with applicable regulatory guidelines and is intended to help employees make appropriate decisions that are consistent with the best interests of our clients. Our employees are not permitted to solicit gifts, and extravagant or excessive entertaining is also prohibited. There is no agreement or arrangement between us and third parties regarding the provision of gifts, meals, or gratuities to our employees that is based on our service agreement or arrangement with any particular client, and any such gifts, meals, and gratuities are not received by our employees by reason of their services to any particular client. We have determined that, under any reasonable method of allocation, any gifts and entertainment attributable to ERISA plans are of insubstantial value.

*Investment Related Disclosure* - Department of Labor regulations also require service providers to disclose certain additional information about entities and investments that are considered to hold "plan assets" of ERISA plans as follows:

*Operating Expenses* - ERISA accounts may be charged for brokerage commissions and other transaction-related costs attributable to an account's investments as described in each client's investment management agreement with us. Upon request, we can also provide exact amounts applicable to each account and such amounts are generally reflected in each client's account statements and reports.

*Compensation for Termination of Contract* - We will not receive a termination fee if an agreement is terminated. Each investment management agreement between an ERISA plan and us sets forth the terms under which accrued fees are payable upon termination.

*Questions and Additional Information* - This information is being provided to comply with the disclosure requirements of ERISA Section 408(b)(2) and Department of Labor regulations and is not intended as an offer or solicitation with respect to the purchase or sale of any of the products or services described or referred to herein. Any document referenced herein is also available upon request. Any questions about these ERISA disclosures and any requests for different or additional information should be directed to Patricia Thompson, our Chief Compliance Officer, by e-mail at [compliance@leewardinvest.com](mailto:compliance@leewardinvest.com) or by telephone at (617) 468-6700.

### ***Termination of Accounts***

Notice provisions for termination of an advisory relationship are provided for in our investment management agreements and can be negotiated when establishing an advisory relationship.

For those accounts that pay quarterly in arrears, any earned, unpaid fees will be due and payable at the time an account is closed. The amount of fees will be based on the account value on the date of termination and will be prorated for the number of days in the quarter the account was open. For those wrap accounts that currently pay fees quarterly in advance, fees will be prorated and adjusted based upon any new accounts started and accounts terminated, and any over/under payment will be reflected in the next quarterly calculation. We reserve the right to negotiate other methods of determining final account valuation and fees with our clients.

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

Leeward does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation to the assets of a client).

### **Item 7 - Types of Clients**

We provide investment advice to taxable, non-taxable, foreign and domestic clients. Such clients include individuals, high net worth individuals, trusts, corporate pension and profit-sharing plans, ERISA plans, Taft-Hartley plans, charitable institutions, foundations, endowments, public employee retirement systems, registered mutual funds, and other U.S. and international institutions. The vast majority of these arrangements are discretionary in which we select the investments and trade on the client's behalf without prior consultation with the client. We also participate in a limited number of model portfolio programs in which we provide a model portfolio to Model Clients but do not exercise investment discretion.

Our minimum account sizes, subject to account characteristics and client service requirements, are:

Equity separately managed institutional accounts	\$ 5.0 million
High net worth individual accounts	\$ 1.5 million

Minimums may be waived depending on the proposed account size, style, other relationships, and other factors.

Certain Leeward strategies are also available through the wrap fee/sponsored programs and model portfolio programs described under Item 4 - Additional Advisory Services.

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

At Leeward, various portfolio construction and risk assessment skills are applied in managing portfolios across a broad risk/return spectrum. Throughout the investment process, emphasis is on fundamental analysis in an effort to produce attractive returns relative to agreed-upon benchmarks and/or risk levels.

Information is gathered from trade associations, academic and government publications, discussions with company management, technical and scientific specialists, and consultants, and from commercially available news services and market quotations. Such information is assimilated by our investment staff and used in our internal assessment of the investment environment and in our investment research.



Investment strategy risk is evaluated in the following contexts:

- Consistency with portfolio risk: Leeward's investment teams review both ex-ante risk (primarily using a quantitative tool) and ex-post risk (primarily using a portfolio analytics tool). The objective of ex-ante risk analysis is to determine if there are any concentrations of factor exposures (includes industry, style, fundamental bias, country, currency among others) that are unusually significant given the stated objectives of the strategy.
- Consistency with portfolio construction: Single stock concentration risk, adherence to economic sector bands, aggregate fundamental measures relative to benchmarks and absolute levels are reviewed.
- Dispersion of accounts: Consistency of management is reviewed quarterly for accounts that are within major product composites. Accounts that are customized are reviewed semi-annually for dispersion relative to individualized targets.

The investment team also incorporates ESG factors within a proprietary framework called “BEAT”. BEAT, which stands for baseline, engagement, action and tracking, is used to evaluate and document ESG factors for each portfolio holding. Importantly, we do not exclude securities or sectors from our investable universe. To the extent a new or existing security or sector has material ESG factors that affect valuation, risk, etc., the team will discuss and document the issue.

Leeward’s investment team utilizes Sustainalytics, Bloomberg, ISS and FactSet to assess ESG factors and risks. They also use a wide variety of metrics and key performance indicators (KPIs) to measure ESG progress.

#### ***Investment Review Committee***

Our Investment Review Committee meets at least biannually and is comprised of the senior management of the Firm. The issues reviewed by this committee generally include each product's adherence to its investment strategy, quantitative reports that measure adherence to defined investment style, evidence of adherence to buy/sell discipline, turnover, and individual stock/portfolio summary fundamental characteristics, and performance relative to defined benchmark and peer group performance comparisons.

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

All investments have some degree of risk and it is possible that clients could lose money by investing in a Leeward strategy. An investment in a Leeward strategy is not a deposit with a bank and is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. While we make every effort to achieve our strategies' objectives, we cannot guarantee success. Past performance does not guarantee future results. Risks relating to each fund managed by us, and to the types of investments it makes, are disclosed to prospective investors in its prospectus, private placement memorandum or other definitive offering document.

*Equity securities risk:* There is the risk that the value or price of a particular stock or other equity or equity-related security could go down and a client's money could be lost. In addition to an individual stock losing value, the value of the equity markets or a sector of those markets in which a strategy invests could go down.

*Small company risk:* The shares of small companies tend to trade less frequently than those of larger, more established companies, which can have an adverse effect on the pricing of these securities and on a strategy's ability to sell these securities. Changes in the demand for these securities generally have a disproportionate effect on their market price, tending to make prices rise more in response to buying demand and fall more in response to selling pressure.

*ETF risk:* An ETF is a registered investment company that seeks to track the performance of a particular market index. Investing in an ETF generally offers instant exposure to an index or a broad range of markets, sectors,

geographic regions, or industries. When investing in ETFs, shareholders bear their proportionate share of the ETF's expenses. An investment in an ETF exposes a client to the risks of the underlying securities in which the ETF invests. Also, although ETFs seek to provide investment results that correspond generally to the price and yield performance of a particular market index, the price movement of an ETF may fail to track the underlying index.

*Environmental, Social, and Governance Investing Risk:* An account that employs environmental, social, and governance (“ESG”) inputs carries the risk that the account’s performance will differ from accounts that do not utilize ESG inputs in the investing strategy. For example, the application could affect the accounts exposure to certain sectors or types of investments, which could negatively impact performance. In determining the efficacy of an issuer's ESG practices, Leeward uses its own proprietary assessments of ESG factors. There is no guarantee that the factors utilized by Leeward, or any judgment exercised will reflect the opinions of any particular client, and such factor may differ from the factors that any particular client considers relevant in evaluating an issuer’s ESG practices. In evaluating an issuer, Leeward is dependent upon information and data obtained through voluntary or third party reporting that may be incomplete, inaccurate or unavailable, which could cause Leeward to incorrectly assess an issuer’s business practices with respect to ESG practices. Socially responsible norms differ, and an issuer’s ESG practices or Leeward’s assessment of an issuer’s ESG practices may change over time and there can be no assurance that the strategy or techniques employed will be successful. Past performance is not a guarantee or reliable indicator of future results.

*Market and management risk:* Markets may experience volatility and go down in value, possibly sharply and unpredictably. Our decisions require judgment and are based on imperfect information. Additionally, the investment techniques, risk analysis, and investment strategies used by us in making investment decisions may not produce the desired results.

*Liquidity and valuation risk:* From time to time, a Leeward strategy may hold one or more securities for which there are no or few buyers and sellers or which are subject to limitations on transfer. We may have difficulty disposing of those securities at values we consider fair, especially during periods of reduced market liquidity.

*Cybersecurity risk:* The computer systems, networks and devices used by us and our service providers employ a variety of protections designed to prevent damage or interruption from computer viruses, network and computer failures and cyberattacks. Despite such protections, systems, networks and devices potentially can be breached. Cyberattacks include, but are not limited to, gaining unauthorized access to digital systems for purposes of corrupting data, or causing operational disruption, as well as denial-of-service attacks on websites. Cyber incidents may cause disruptions and impact business operations, potentially resulting in financial losses, the inability of us or our service providers to trade, violations of privacy and other laws, regulatory fines, reputational damage, reimbursement costs and additional compliance costs, as well as the inadvertent release of confidential information.

*COVID-19 pandemic risk:* The novel coronavirus known as COVID-19 involves significant risk of a sustained increase in the volatility of global markets. Market responses to decisions made by governments and scientists around the world, including measures to contain the spread of the virus, availability of healthcare and treatments, and rolling shutdowns of markets across the globe would negatively impact markets and pose a significant risk of loss to investment principal. The pandemic also poses a risk from a human capital and resource perspective.

Because of the inherent risk of loss associated with investing, we are unable to represent, guarantee or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.

## **Item 9 - Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of us or the integrity of our management. Neither Leeward nor any of its associated persons has any reportable events to disclose under this item.

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

Subject to our Code of Ethics as described in Item 11 below, our members, officers and employees may buy or sell investments for their personal accounts that are also recommended to our clients or purchased for client accounts. In addition, we may buy or sell for client accounts securities or other investments in which we or a related person has a financial interest. We and our officers and employees (and their families) may invest along with other investors in products, including mutual funds, proprietary funds, or other commingled vehicles, for which we are the investment adviser or sub adviser. All client accounts will be treated in a fair and equitable manner.

Leeward is not a registered broker-dealer, commodity firm, commodity trading advisor, or futures commission merchant, and does not have an application to register for any of the same pending.

Our Firm does not recommend investment products in which it receives any form of compensation from the separate account manager or investment product sponsor.

Leeward always acts in the best interest of the client, and any person providing investment advice on behalf of the Firm must act in the best interests of the client and put that client's interests ahead of the individual's own interests. All conflicts are required to be disclosed.

## **Item 11 - Code of Ethics**

We have a Code of Ethics describing our standards of business and personal conduct and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance and giving of significant gifts and business entertainment items, and personal securities trading procedures, among other things. All of our employees must read, understand and acknowledge the terms of the Code of Ethics annually, or when material amendments are made.

The goal of our Code of Ethics and its policies, procedures, and organizational structure is to establish standards and corresponding processes that put the interests of our clients first, ensure that no client or account is favored over another, and identify and disclose conflicts of interest as they relate to personal interests of individuals in the Firm and/or competing interests of clients that could occur as the result of relationship size or fee structure.

In appropriate circumstances, consistent with clients' investment objectives, we may trade or recommend the purchase or sale of securities in which we, our affiliates and/or clients, directly or indirectly, have a position of interest.

Subject to our Code of Ethics and applicable laws, our members, officers and employees may trade for their personal accounts in securities which are recommended to and/or purchased for our client accounts. The Code of Ethics also allows our personnel to invest in mutual funds and other pooled vehicles for which we are the investment adviser or sub adviser, subject to the pre-clearance requirements of the Code. The Code of Ethics is designed to ensure that the personal securities transactions, activities, and interests of our personnel will not

interfere with (i) making decisions in the best interest of our clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their personal accounts. Under the Code, certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. 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 regularly monitored, and the Code of Ethics is designed to reasonably prevent conflicts of interest between us and our clients.

Any client or prospective client may request a copy of our Code of Ethics by contacting Patricia Thompson, our Chief Compliance Officer by telephone at (617) 468-6700 or by e-mail at [compliance@leewardinvest.com](mailto:compliance@leewardinvest.com).

## **Item 12 - Brokerage Practices**

We seek the best combination of net price and execution under the circumstances ("best execution") for client accounts. We may achieve best execution through proper management of broker selection, trade execution, and use of commissions. We seek to obtain the best overall qualitative execution available given the particular circumstances by considering the full range and quality of a brokerage services, including: quality of execution, volume of trading done by a broker in a particular security, willingness to commit capital, financial stability, clearance and settlement procedures, and other factors. Our traders are generally aware of the prevailing range of commission rates for any given type of trade, and they select brokers and negotiate commissions depending on the complexity of the trade, the market environment, and the liquidity of a given stock.

We may pay a broker-dealer that furnishes brokerage and/or research services a commission that is in excess of the commission another broker-dealer would have charged for executing the same transaction if it is determined that such commission is reasonable in relation to the value of the brokerage and/or research services which have been provided to us as a whole and in which clients benefit.

Leeward conducts periodic reviews of the Firm's execution, brokerage selection, trading activity and trends. In addition, we may consider the provision of research and other services by the broker to us. Accordingly, transactions may not always be executed at the lowest possible commission cost but commissions will generally be within a competitive range depending on transaction type.

We may enter into arrangements in which commissions are used to provide research or execution related services to us. The services may include research, trading and other similar applications. We evaluate and determine that these services qualify as research services as provided in Section 28(e) safe harbor of the Securities Exchange Act of 1934. Research services furnished by direct research providers or third party research providers may be used by us for any or all of our clients. In addition, research services may be used in connection with accounts other than those whose commissions were used to pay for such research services. Research services that we purchase may benefit all clients including clients who specify that their brokerage be directed to a specific broker. These clients may receive the benefits of such services without paying for them. If a portion of these services is used for non-research or trade execution-related purposes, we will pay for those services with our own funds.

Such research-related services include:

- fundamental company, security and industry analysis;
- quantitative research;
- economic data and forecasts;

- on-line research services;
- risk control systems;
- attendance at quantitative and fundamental research seminars;
- analysis of financial and market conditions;
- quotation services;
- valuation tools; and
- statistical services.

We may use commission sharing arrangements (“CSAs”) that allow us to separate the execution and research components of a trade. We are able to trade through an electronic communication network (“ECN”), algorithm, dark pool, or crossing network at a low commission rate and still generate research credit. We use CSAs to pay broker-dealers that provide research and brokerage services that qualify as research services as provided in Section 28(e) safe harbor of the Securities Exchange Act of 1934. We do not use CSAs to pay for any third party-independent services, so called “soft dollar services.”

We also use step-out transactions as a means to potentially improve trade execution. In a step-out transaction we place a block trade with a broker-dealer with the instruction that the broker-dealer execute the entire transaction but “step-out” of a portion of the trade in favor of another broker-dealer that may have a directed brokerage arrangement with a client or may provide research products or services to us. This allows directed brokerage accounts to participate in larger block trades and receive the same execution price. While it is difficult to quantify the actual improvement in execution that results from step-out trades, we believe that clients generally benefit from participating in block trades.

#### ***Directed Brokerage and Trade Rotation***

Leeward’s overarching goal and obligation is to obtain the best price and execution quality for all client securities transactions. Leeward’s clients vary in terms of their securities trade execution (“trading”) requirements. Leeward intends to treat all clients fairly and equitably over time when executing and/or communicating trade orders.

Most Leeward clients grant the firm both investment discretion and trading discretion with respect to their accounts under its management. Leeward refers to these accounts as non-directed brokerage (or full brokerage discretion) accounts. Some clients grant the firm investment discretion with respect to their accounts but require Leeward to direct trading to brokers of their choosing. Leeward refers to these accounts as directed brokerage accounts. Wrap fee Program (“Wrap”) accounts are a type of directed brokerage account. Certain other Leeward clients do not grant us either investment discretion or trading discretion. Leeward refers to these accounts as non-discretionary accounts. Model accounts are a type of non-discretionary account.

Each client with a directed-brokerage account must understand that:

- We may or may not be able to negotiate commission rates on its behalf and, as a result, it may pay higher commissions;
- it may lose the possible advantage that our clients with non-directed brokerage accounts derive from our aggregation of orders for multiple clients as a single “batched” transaction;
- it may be deprived of the benefits of research-related products and services available from other brokers; and
- at times we process directed brokerage account trades after trades for which we have full brokerage discretion.

When a trade order is placed across all accounts in the Small Cap Value Strategy, Leeward’s trading desk first trades for non-directed brokerage accounts and then for its directed brokerage accounts and non-discretionary brokerage accounts (model portfolios), via its third party administrator, after it trades for its non-directed brokerage accounts. The third party administrator maintains the trade rotation schedule, which is rotated equitably

and sequentially. The rotation process is a simple chain rotation. The account traded for first today is traded for last tomorrow, second to last the next day and so on until traded for first again and the rotation starts over.

When a trade order is placed across all accounts in the Mid Cap Value Strategy, Leeward will disseminate the trade order equitably and contemporaneously to its own trading desk for its non-directed brokerage accounts and to its third party administrator for dissemination to its directed brokerage accounts and non-discretionary brokerage accounts.

Leeward's trading desk recognizes that there are certain trades that overlap both strategies. In this instance Leeward's trading desk will complete the trade orders for its non-directed brokerage accounts and then communicate the trade orders to its third party administrator for dissemination to its directed and non-discretionary brokerage accounts.

Model portfolio sponsors have discretion as to if, how and when to act upon model updates. Leeward has no control over any trading by model portfolio sponsors as a consequence of its model updates.

We use Global Trading Analytics ("GTA"), a third party monitoring service, to assist us with evaluating the effectiveness and efficiency of trade execution. GTA provides us with a set of standard quarterly reports that measure the transaction costs using several metrics. The results are reviewed quarterly by Leeward's Trade Oversight Committee.

### ***Trade Allocation and Aggregation***

We aggregate contemporaneous buy or sell orders for client accounts only if we have determined, on the basis of each account, that the aggregated trading process is: in the best interest of each client participating in the order; consistent with our duty to seek best execution; and is consistent with the terms of our investment advisory agreement with each such client.

We acknowledge that managing client accounts may create the potential for conflicts of interest in the following circumstances: (1) where a portfolio manager ("PM") employed by us is invested in proprietary funds managed by us; and (2) where a relationship may exist between a PM and a client. Our procedures are reasonably designed to address these conflicts as well as ensure equitable treatment for all accounts as we employ aggregation in pursuit of best overall trade execution.

We base our allocation of trades to client accounts on the appropriateness of the investment being allocated under the circumstances then prevailing. In particular, we do not base such allocation on a client's fee arrangements or the ability of more than one client to participate in a given transaction.

The allocation of securities bought or sold in an aggregated order will generally be made pro rata based upon the original orders or indications of interest submitted. Allocations of orders may be made to a client in excess of or below the amounts which would have been determined pro rata if a client has a unique investment objective and the security being acquired meets that investment objective, or if the allocation would be too small to establish a meaningful position for a client. Our trading desk seeks Compliance Office approval for revised allocations.

### ***Limited Opportunities***

From time to time, we may have the opportunity to acquire securities for our clients in an initial or secondary public offering (each, an "offering"). PMs may submit an indication of interest in an offering for particular client accounts after considering factors such as, but not limited to, their investment objectives, risk tolerance, available cash, current portfolio composition, and related matters. Indications of interest will be made by the PMs for specific investment styles or accounts, and our trading desk personnel will aggregate those indications for

submission to the offering's underwriter or placement agent. If we receive fewer securities than we ordered, generally we will allocate them to each participating client account pro rata according to its indication of interest. If such allocations are deemed insignificant, too small from which to build a further position, or not cost beneficial for an account, the PM for such account may "opt out" of the allocation, in which case those shares will be reallocated to the remaining participating accounts. Share amounts allocated may also be adjusted to the nearest round lot. As with all matters relating to performance, there can be no assurances that IPOs will be available in the future, that IPOs will be suitable for each client account, or that the aftermarket price performance of IPOs will be better or worse relative to prior IPOs.

## **Item 13 - Review of Accounts**

### ***Internal Account Reviews***

We perform internal reviews of accounts both on an ad hoc and formal basis. On an ongoing basis, our Chief Compliance Officer and/or our Chief Operating Officer review the investment team and their related strategies to ensure adherence to guidelines, performance dispersion and overall investment team dynamics. A more formal review of accounts is conducted by our Investment Review Committee. These meetings typically comprise a review of each of the risk items described in Item 8 as well as commentary by investment teams about significant business and investment items.

Ad hoc internal reviews typically are held as a result of unusual market conditions which cause divergence of performance of either model portfolios or representative portfolios. Unusual patterns of returns are investigated either through investment systems or through direct interaction with the investment team.

### ***External Account Reviews and Client Reporting***

Account reviews are normally scheduled at the request of a client or its designated representative and generally include the portfolio manager and/or a client service officer. In some cases, the frequency of account review is agreed upon as part of a client's investment guidelines. The number of accounts assigned to a portfolio manager varies depending on the investment capacity of a given strategy, the client base, and the relative requirements of clients.

As a general matter, we provide our clients written quarterly reports that include market commentary, investment holdings with cost and market value, and performance results. Reports with information such as realized gains and losses, purchases and sales, and transaction summaries are available upon client request.

Sometimes we are responsible for determining the value of client investments, and our values may affect measurement of our performance or calculation of our fees. We have a written valuation policy, a copy of which is available to our clients upon request.

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

In exchange for commissions generated by discretionary trading activity, we receive research services from a variety of brokerage firms. See Item 12 for a description of the services and benefits we receive from brokers.

We have entered into a client solicitation agreement with Touchstone Securities, Inc. ("Touchstone"). We compensate Touchstone for their services. Clients introduced to us by Touchstone may pay different and potentially higher fees than clients who are not introduced to us through a solicitor.

Our marketing incentive policy provides, at our expense, marketing incentives to our employees.

## **Item 15 - Custody**

Although we do not take physical possession of client funds or securities, we are deemed to have custody of some client funds in cases where Leeward is authorized to deduct fees directly from clients' accounts under the SEC's Custody Rule.

The Custody Rule requires advisers that are deemed to have custody of client funds and securities to maintain those funds and securities with a "qualified custodian" in an account either under the client's name or under the adviser's name as agent or trustee for its client. A "qualified custodian" is a regulated financial institution that customarily provides custodial services, including banks, savings associations, broker-dealers, and in some cases, futures commission merchants.

We do not provide physical safekeeping of client assets. This service is provided by qualified custodians. We generally require our clients to use a third party custodian and, when asked, we will recommend custodians to clients. We avoid being deemed to have custody other than in the limited circumstances described above.

Our clients should receive statements at least quarterly from their custodians. We urge our clients to carefully review such statements and compare them to the account statements that we provide to our clients. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or methodologies used to value securities.

## **Item 16 - Investment Discretion**

Typically, we have discretionary authority over our client's investments. This allows us to select the identity and amount of securities to be bought, sold or held for a client. We exercise this discretion in a manner consistent with the client's investment objectives.

When selecting securities and determining the amount to be held, we observe each client's investment policies, limitations and restrictions. Client-imposed restrictions may affect our ability to manage a given investment strategy and therefore, investment performance may deviate from other accounts using the same strategy. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor holding of investments over frequent trading.

Investment guidelines and restrictions must be provided to us in writing. Please also see Item 4 for additional discussion of client restrictions.

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

Our authority to vote the proxies of our clients is established by our investment advisory agreements or comparable documents. Pursuant to SEC Rule 206(4)-6, we have adopted a policy and procedures governing the voting of proxies on behalf of our clients. Our proxy voting policies are designed to be consistent with the overall objective of maximizing shareholder value. Some factors we consider in determining how we vote proxies include a company's management and compensation practices, corporate structure and shareholder rights, and the impact of environmental, social and governance practices. Clients may request us to vote proxies on their behalf or may retain voting authority. It is our general policy that when given authority to vote proxies for a client, we must be authorized to vote all proxies for the client's account. We generally do not accept partial voting authority or instructions from clients on how to vote on specific issues. Clients may obtain our proxy voting policy and procedures and information about how we have voted proxies on their behalf by contacting Patricia Thompson, our Chief Compliance Officer, via e-mail at [compliance@leewardinvest.com](mailto:compliance@leewardinvest.com).



Certain clients may direct us to vote proxies in accordance with a specific set of guidelines or recommendations appropriate to their circumstances. In such situations, we do have voting discretion but will vote in accordance with a client's direction. Our clients may wish to retain proxy voting authority and vote their own proxies if necessary in order to satisfy their individual social, environmental, or other goals.

Clients desiring to direct us to vote proxies on their behalf must provide us with their proxy voting guidelines at the time we establish their account. We may abstain from voting a client proxy if, in our opinion, the value obtained by voting the proxy is outweighed by the unique cost or the operational or trading constraints to a client account or situation. If a client engages in a securities lending program, and a security is on loan as of a voting record date, the proxy for that security generally cannot be voted by us. We employ a third party vendor to assist with monitoring and completing the proxy voting process. We recognize the potential for conflicts of interest in situations where we have discretion to vote client proxies and where we have material business or personal relationships or family relationships, or in the event that a client of ours has issued a security held in any client portfolio managed by us. To address these potential conflicts, we have established a Proxy Voting Committee. This committee uses reasonable efforts to determine whether a potential conflict may exist, including maintaining a list of clients or securities that may pose a potential conflict, and how to vote the proxy of any security with respect to which it has identified a potential conflict.

### ***Class Actions***

From time to time, we may receive notices with respect to securities held or previously held in client portfolios that are subject to legal proceedings, including class actions or bankruptcies. Usually, client custodians also receive these notices and therefore generally we do not forward these notices to our clients or their custodians. Also, we do not submit class action claims, take legal action on behalf of, or provide legal advice to our clients.

## **Item 18 - Financial Information**

Leeward has no financial condition that impairs our ability to meet contractual and fiduciary commitments to clients.

## **Item 19 - Additional Information**

### ***Disaster Recovery***

Our disaster recovery plan addresses the critical components of communications, access to data, and trading. We facilitate business continuity with fail-over communication services, remote access capability, and redundant data storage. Our Chief Operating Officer is responsible for all aspects of the disaster recovery plan, including evaluating and testing the plan. In this role, he is assisted by our CCO and IT vendor.

### ***Privacy***

We have policies and procedures relating to the disclosure of investment portfolio information and the collection of confidential and private client information, in accordance with federal and state regulatory requirements. Client account information is secured and policies and procedures outlining our privacy and security policies are provided to clients as required or when requested.

### ***Performance***

Leeward claims compliance with the Global Investment Performance Standards (GIPS®) and has been independently verified for the period March 1, 2022, through December 31, 2023. Our strategy composites have

been examined for the periods; Mid Cap Value for the period October 1, 2005 through December 31, 2023, Small Cap Value for the period July 1, 2002 through December 31, 2023, and SMID Cap Value for the period January 1, 2018 through December 31, 2023. The verification and performance examination reports are available upon request.

Effective March 1, 2022, Leeward Investments, LLC (“Leeward”), an investment adviser registered with the Securities and Exchange Commission, is the investment manager of the Mid Cap Value, Small Cap Value and SMID Cap Value strategies. Performance achieved prior to March 1, 2022, represents results achieved while the investment team was part of LMCG Investments, LLC (“LMCG”). The investment management team has managed the composites since the inception of each strategy, and the investment process has not changed. The historical performance has been linked to performance earned at Leeward.

Past performance is not indicative of future results. GIPS® is a registered trademark of CFA Institute.