

Bounty Management Corporation

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Firm Brochure Form ADV Part 2A

March 29, 2012

This brochure provides information about the qualifications and business practices of Bounty Management Corporation. If you have any questions about the contents of this brochure, please contact us at (617) 357-8285. 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.

As a “registered investment adviser,” Bounty Management Corporation’s registration does not imply a certain level of skill or training.

Additional information about Bounty Management Corporation also is available on the SEC’s website at www.adviserinfo.sec.gov.

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Material Changes

The material changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. As such we have revised our ADV Part II form to reflect this new rule.

There have been no material changes since last year’s ADV Part II dated March 31, 2011.

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (617) 357-8285 or by email at: admin@bountymanagement.com.

Advisory Business

Firm Description

Bounty Management Corporation (“Bounty”) is a Boston-based investment management firm. Bounty has been in business since 1971 and manages investment, trust, and retirement portfolios for clients including individuals, families, and non-profits. We currently have four employees including three principals and one administrative staff. The firm is federally registered with the Securities and Exchange Commission (SEC) as a Registered Investment Adviser. The principal owners are, Raymond W. Bligh, Pamela A. Varriale, and Raymond N. Bligh.

Bounty’s focus is investment management. Our strategy incorporates global economic analysis to identify the most attractive sectors of the market and fundamental analysis to choose the individual portfolio securities. We purchase publically traded stocks, bonds, exchange traded funds (“ETFs”), and mutual funds. We aim to hold our investments for long-term appreciation (defined as over one year). Our goal is long-term growth of capital while also being mindful of inflation and the preservation of purchasing power.

Bounty derives compensation solely from fees paid directly by clients. The firm does not accept commissions based on the client’s purchase or sale of any financial product or in any form and does not pay or accept any referral fees. Bounty does not receive any benefits from custodians or broker-dealers based on client securities transactions (“soft dollar benefits”).

Bounty does not act as a custodian of client assets. Assets under the direct management of Bounty are held in the client’s name by qualified custodians who are independent from Bounty.

Types of Advisory Services

Bounty provides each client with a separately managed investment account. Bounty renders investment advice based on all relevant facts pertaining to the client’s individual needs and conditions. Clients may impose restrictions on investing in certain securities or types of securities. For example, some clients may want to avoid tobacco or liquor stocks or have legacy holdings at low cost basis where Bounty is mindful of the tax implications of selling. Bounty seeks to work with a client’s other advisors including accountants and lawyers to provide a more comprehensive approach to a client’s financial situation.

Bounty’s investment management agreements may not be assigned without client consent.

Bounty does not currently participate in wrap fee programs.

Discretionary assets under management totaled \$55,478,000 as of December 31, 2011. Bounty does not manage non-discretionary assets.

Fees and Compensation

Fees for Bounty's investment management services are based on a percentage of assets under management. Each client receives an invoice for our management fee that states the value of the portfolio, the fee calculation, and the account that the fee will be deducted from.

Fee Schedule

1.25% on the first \$1,000,000 of total market value

1.00% on the next \$4,000,000 of total market value

0.75% on the next \$5,000,000 of total market value

0.50% on the balance over \$10,000,000 of total market value

Fees are calculated and charged quarterly. One fourth of the annual amount is billed to the client in advance based on the market value of the portfolio. Fees will be charged on all assets in the account except those assets that Bounty and the client have agreed to exclude from the investment management contract.

Either party to the investment advisory contract between Bounty and the client may terminate the contract at any time upon written notice to the other party. In such an event, the client will receive a pro-rata refund of fees that were prepaid for the portion of the contract period following termination.

The minimum annual fee for all assets managed by Bounty is \$3,125. Fees are negotiable and subject to change.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds, stocks, bonds, and exchange traded funds. Mutual funds and exchange traded funds generally charge a management fee for their services as investment managers. The management fee is included in the expense ratio. Mutual fund fees also include transaction charges for the purchase or sale of securities within the fund and may charge other fees as disclosed in the fund prospectus. These fees are in addition to the fees paid by the client to Bounty.

All fees, including those for management fees, brokerage fees, transaction charges, or other similar charges, are deducted from clients' investment accounts which are held by a qualified custodian who is independent from Bounty. Bounty is not a broker-dealer and does not receive any compensation attributable to the purchase or sale of a security. Please see the section entitled "Brokerage Practices" for more information.

Performance-Based Fees and Side-By-Side Management

Bounty does not charge performance-based fees and does not manage any account that pays such fees.

Bounty does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows Bounty to participate in the growth of a client's wealth. This also means that our fees can decline when the client's portfolio falls in value.

Types of Clients

Bounty provides investment advice to individuals, families, trusts, and charitable organizations. The minimum account size is \$250,000 with a minimum fee of \$3,125, both of which are negotiable.

Methods of Analysis, Investment Strategies, and Risk of Loss

Methods of Analysis

Bounty uses security analysis methods that include fundamental analysis of companies. The firm's main sources of information are financial periodicals, financial reports (e.g., Standard & Poor's reports, Morningstar, and Thomson Reuters), corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and information provided by the company (e.g., reports on the company website). Bounty employees also attend industry and/or association conferences sponsored by the investment industry such as the Boston Security Analyst Society (BSAS), Certified Financial Analyst (CFA) Institute, and the Boston Estate Planning Council (BEPC).

Investment Strategy

Bounty actively manages portfolios with individual stocks and bonds, ETFs, and mutual funds. Each portfolio is managed as a separate account. Bounty usually holds the securities for the long-term (defined as more than one year). Although the portfolios primarily consist of individual stocks and bonds, Bounty may use mutual funds and ETFs where appropriate.

Our primary objective is for long-term growth of capital while being mindful of the preservation of purchasing power. After evaluating the global macro economic landscape and analyzing technical, political, and monetary trends, Bounty invests in the sectors and companies that we believe are relatively undervalued. Based on our analysis, Bounty will overweight or underweight certain sectors and companies versus the S&P 500. If there

are periods when we believe equities are over-valued, we may own more fixed income securities. We do not buy securities on margin, engage in short selling, or option trading.

Bounty works with each client to develop an investment portfolio that is based upon the objectives, income needs, and tax situation discussed with the client during consultations. For some clients, Bounty is managing only a portion of a client's total assets. For these clients, Bounty asks the client about their total assets to better understand a client's overall situation and how their Bounty account fits into their total investments. These clients may use another advisor who is responsible for the overall asset allocations. Through our portfolio reviews and on-going conversations with the client, Bounty is aware that a client's circumstances may change over time. The firm constructs each client portfolio solely for that client.

Risk of Loss

Before investing, you should carefully consider that investing may involve the risk of loss. Securities markets experience varying degrees of volatility and over time your assets may fluctuate and be worth more or less than the amount you invested. Bounty does not engage in frequent trading.

Bounty's portfolio risk management process includes an effort to monitor and manage risk, but should not be confused with and does not imply low risk. Bounty may overweight or underweight certain sectors and securities based on the S&P 500 weightings and therefore may under or over perform the S&P 500.

As with all investments, clients face investment risks including the following: loss of principal risk, interest-rate risk, market risk, inflation risk, currency risk, reinvestment risk, business risk, liquidity risk, and financial risk.

Disciplinary Information

Bounty Management Corporation, and its management personnel, have not been involved in any legal or disciplinary events that would be material to a client's or prospective client's evaluation of the integrity of Bounty or its personnel.

Financial Industry Activities and Affiliations

Bounty does not have any material relationships or arrangements with financial industry participants. Bounty does not receive any compensation from other advisors.

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

Code of Ethics

Bounty's code of ethics is summarized below:

All employees and officers have a fiduciary duty to the clients of the firm and must:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets.
- Place the integrity of the investment profession and the interests of the clients above their own personal interests.
- Practice and encourage others to practice in a professional and ethical manner that will reflect credit on Bounty and the profession.
- Promote the integrity of, and uphold the rules governing capital markets.
- Maintain and improve employee's professional competence and strive to maintain and improve the competence of other investment professionals.
- Conduct all personal transactions in a manner consistent with the code of ethics and avoid conflict of interest or any abuse of a position of trust and responsibility.
- Never take inappropriate advantage of their positions.
- Protect the confidentiality of client information and security holdings.

We will provide a complete code of ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions and Personal Trading

Bounty may at times buy or sell certain securities for their own accounts which are also held by clients. Investment transactions for clients must have priority over investment transactions in which a principal, director, or employee is the beneficial owner. If any principals, directors, or employees need to raise cash by selling a security also held by a client, they must first review the transaction with the Chief Compliance Officer.

Bounty requires that principals, directors, and employees submit their account activity quarterly and sign an investment transaction statement. Principals, directors, and employees are required to annually sign a "Prevention of Misuse of Nonpublic Information" statement. The Chief Compliance Officer of Bounty, Raymond W. Bligh, reviews all principal, director, and employee trades each quarter. His personal trades are reviewed by Pamela A. Varriale. The personal trading reviews ensure that the personal trading of employees was not based on inside information and that clients of the firm receive preferential treatment. The personal trades made by principals, directors, and employees are not of a significant enough value to affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Bounty has an arrangement with Pershing Advisor Solutions through which Pershing provides Bounty with their “platform” services. The platform services include, among others, brokerage, custodial, administrative support, recordkeeping, and related services that are intended to support investment managers such as Bounty in conducting business and serving the best interests of clients.

Bounty does not have any affiliation with product sales firms such as broker-dealers. Bounty does not receive fees or commissions from any brokerage firms although Bounty may benefit from electronic delivery of client information, electronic trading platforms, and other services provided by the Pershing for the benefit of clients. Bounty may also benefit from other services provided by Pershing, such as research, continuing education, and practice management advice. These benefits are standard in a relationship with custodians and are not provided in return for Bounty’s recommendation of Pershing.

Pershing’s commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Pershing may be higher or lower than those charged by other custodians and broker/dealers.

Bounty reviews the execution of trades at Pershing annually and documents the review process in the firm’s “Policies & Procedures Manual.” Bounty does not receive any portion of the trading fees from any broker or custodian.

Soft Dollars

Bounty has no agreement or understanding with any brokers to direct brokerage transactions because of research or other services provided to the firm. Bounty has no “soft dollar” practices with any brokers in connection with client transactions.

Directed Brokerage

We do not direct brokerage for specific client transactions except individual municipal bonds, for which we review the broker-dealer’s best execution policy for trades.

A client may designate that we use their own brokerage firm and may request Bounty to trade with the client’s broker. Bounty advises the client that they may be unable to obtain the most favorable execution of transactions and that it is difficult for Bounty to monitor transactions with their broker. Clients may pay higher fees if they use their own broker or custodian. Clients may benefit from the aggregation of trades at Pershing to obtain volume discounts on execution costs. Bounty does not use client brokerage to compensate or otherwise reward brokers for client referrals.

Review of Accounts

Periodic Reviews

Portfolio management: Bounty frequently reviews and manages individual accounts as market conditions dictate. This activity includes buying and selling securities, rebalancing portfolios, and cash management. The portfolio managers, Pamela Varriale and Raymond W. Bligh, do the portfolio management together and individually.

Client portfolio reviews: Bounty individually tailors the frequency of client portfolio reviews based on the client's wishes and may range from quarterly to annual reviews. The reviews vary in focus and may include portfolio updates, economic and market conditions, performance, capital gains/losses, investment reviews, cash needs, and more. The number of households for which each reviewer is responsible varies. The current total number of households is approximately sixty. Portfolio managers and staff are available to discuss client portfolios during normal business hours.

Review Triggers

Bounty performs account reviews for clients more frequently when market conditions dictate or when a client's circumstances change. A decision to buy or sell a security triggers a review of all the portfolios that hold the security. A review may also be triggered by a client request, new information about an investment, changes in tax laws, or other important changes.

Regular Reports

Bounty sends written reports to clients on a quarterly basis. The reporting consists of our quarterly economic and market update, a statement of holdings from our portfolio accounting software (Advent Software), and an invoice. At year end, we send capital gains and loss statements for taxable accounts. Bounty will provide customized reports upon request. The firm also performs in-person or telephone reviews periodically.

Clients Referrals and Other Compensation

Incoming Referrals

Bounty does not have any compensation arrangements for client referrals. Bounty has been fortunate to receive many client referrals over the years. The referrals have come from current clients, personal friends, and other sources. The firm does not pay for referrals.

Referrals to Other Professionals

Bounty does not have any referral arrangement or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

Account Statements

All assets are held at “qualified” custodians who are independent from Bounty. A qualified custodian maintains client’s funds and securities in a separate account for each client under the client’s name. They send account statements to each client directly and to Bounty each month. Clients are encouraged to carefully review the statements provided by their custodians.

Statements Provided by Bounty

Clients are at times provided account statements generated from our portfolio accounting software (Advent Software). Account balances of the qualified custodian and Bounty are reconciled at the end of each month. In general, the statements show a summary of the account assets by asset type (equity, fixed income, and cash) and a further breakdown by individual security with details on cost, market value, sectors, percent of assets, and current estimated yield. Clients are urged to compare the statements they receive from us to those they receive from their qualified custodians.

Investment Discretion

Discretionary Authority for Trading

Bounty accepts discretionary authority to manage securities accounts on behalf of clients. Bounty has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in clients’ accounts on their behalf so that we may promptly implement our investment strategy for each client.

Limited Power of Attorney

Clients must sign a limited power of attorney as part of Bounty’s investment management contract before Bounty is given discretionary authority. The limited power of attorney is included in the qualified custodian’s account application. For accounts not held at Pershing, clients may sign a separate limited power of attorney document giving discretionary authority to Bounty. The power of attorney also allows Bounty to withdraw the quarterly investment management fee from the account. The limited power does not permit Bounty to withdraw either cash or securities from the account.

Voting Client Securities

Proxy Votes

Clients may choose to receive and vote proxies directly from their custodian. If the client does not wish to receive and vote proxies then clients may elect to have Bounty vote their proxies with respect to the securities that are in their account(s). This option is made available in the custodian account application. The objective of voting a security in each case is to vote in the best interests of the shareholders, generally seeking to enhance the value of the security or to reduce the potential for decline in the security's value.

Clients may obtain a copy of our proxy voting policies and procedures upon request. Clients may also obtain information from us about how we voted any proxies on behalf of their account(s).

Financial Information

Bounty does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because Bounty does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.