

Sound Financial, LLC.

Wrap Fee Brochure

This wrap fee brochure provides information about the qualifications and business practices of Sound Financial, LLC. If you have any questions about the contents of this brochure, please contact us at (425) 332-6568 or by email at: info@sfgwa.com. 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 Sound Financial, LLC. is also available on the SEC's website at www.adviserinfo.sec.gov. Sound Financial, LLC.'s CRD number is: 292271



6131 92nd Ave NE
Lake Stevens, WA 98258
(425) 332-6568
info@sfgwa.com
www.sfgwa.com
<https://www.instagram.com/wealthpodcast/>

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

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Item 2: Material Changes

The material changes in this brochure from the last annual updating amendment of Sound Financial, LLC on 02/09/2023 are described below. This list summarizes changes to policies, practices or conflicts of interests concerning this Wrap Fee Program Brochure only

- Sound Financial, LLC has updated their office location (Cover Page).
- Item 4B revised to include custodian specific fee schedules.

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Item 4: Services, Fees Compensation

A. Description of Wrap Services

Sound Financial, LLC. (hereinafter “SFG”) provides portfolio management to clients under this wrap fee program as sponsor and utilizes AssetMark and/or Betterment LLC as the portfolio manager. AssetMark and Betterment LLC are not a related person of SFG; however, SFG has an agreement in place with AssetMark and Betterment LLC, to serve as a third-party advisor.

SFG participates in and sponsors wrap fee programs, which means SFG will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. SFG will charge clients one fee, and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that SFG has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with “step out” transactions if the account uses different custodians or broker-dealers, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, account transfer/closure fees, and other fees and taxes on brokerage accounts and securities transactions.

B. Fee Schedule

Fees for Management via Recommendation of Other Advisers

Lower fees for comparable services may be available from other sources.

SFG will direct clients to third-party advisers, specifically, AssetMark and Betterment LLC. The aggregate advisory fees will not exceed any limit imposed by any regulatory agency.

The annual fee schedule for management via AssetMark is as follows:

Total Assets	SFG Fee	Third-Party Fee	Total Fee
All Assets	Up to 1.37%	Up to 0.50%	Up to 1.75%

AssetMark fees are paid quarterly in advance. Refunds are given on a prorated basis, based on the number of days remaining in the billing period on the effective date of termination. The fee refunded will be the balance of the fees collected in advance minus the daily rate* times the number of days in the billing period up to and including the effective date of termination. (*The daily rate is calculated by dividing the annual fee by 365).

The balance in the client's account on the last day of the prior billing period is used to determine the market value of the assets upon which the advisory fee is based. These fees are negotiable.

The annual fee schedule for management via Betterment LLC is as follows:

Total Assets	SFG Fee	Third-Party Fee	Total Fee
\$0 - \$500,000	1.37%	0.12%	1.49%
\$500,001 - \$2,500,000	0.87%	0.12%	0.99%
\$2,500,001 - \$4,000,000	0.63%	0.12%	0.75%
\$4,000,001 - \$7,000,000	0.37%	0.12%	0.49%
\$7,000,001 and up	0.18%	0.12%	0.30%

Portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a monthly basis.

Clients may terminate the agreement without penalty, for a full refund of SFG's fees, within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice. Betterment fees are paid monthly in arrears. Because fees are charged in arrears, no refund policy is necessary.

C. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program, including the trading activity in the client's account, the adviser's ability to aggregate trades, and the cost of the services if provided separately (which in turn depends on the prices and specific services offered by different providers).

D. Additional Fees

SFG will wrap third party fees (i.e., custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.) for wrap fee portfolio management accounts. SFG will charge clients one fee and pay all transaction fees using the fee collected from the client. Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that SFG has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs.

Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, fees associated with "step out" transactions if the account uses different

custodians or broker-dealers, 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.

E. Compensation of Client Participation

The Client receives a planning fee refund if they engage SFG for a wrap account, which creates a distinctive conflict of interest for SFG. Compensation received may be less than what would have been received if client paid separately for investment advice, brokerage, and other services. Therefore, SFG may have a financial disincentive to recommend the wrap fee program to clients. If clients have engaged in a Financial Planning Agreement (FPA) prior to a wrap agreement, up to \$2,000 of the FPA fee may be refunded based on wrap fees earned during the term of the FPA.

Item 5: Account Requirements and Types of Clients

SFG generally offers advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Corporations / Business Entities

There is no account minimum.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

SFG will select outside portfolio managers for management of this wrap fee program.

SFG will use industry standards to calculate portfolio manager performance.

The respective wrap fee program manager reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed by the third-party advisor.

B. Related Persons

AssetMark and Betterment LLC act as portfolio manager for a wrap fee program, which is an investment program where the client pays one stated fee that includes management fees, transaction costs, and certain other administrative fees. The wrap fee program is sponsored by SFG; AssetMark and/or Betterment LLC manage the investments in the wrap fee program. AssetMark and Betterment LLC are not a related person of SFG; however, SFG has an agreement in place with AssetMark and Betterment LLC to serve as a third-party advisor.

C. Wrap Fee Portfolio Management

SFG offers portfolio management services to its wrap fee program participants as discussed in Section 4 above.

SFG offers ongoing wrap fee portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. SFG creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

- Determine investment strategy
- Asset allocation
- Assessment of risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

SFG evaluates the current investments of each client with respect to their risk tolerance levels and time horizon.

Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio management accounts participating in the wrap fee program will not have to pay for transaction or trading fees. SFG will charge clients one fee and pay transaction fees using the advisory fee collected from the client. Certain other fees are not included in the wrap fee and are paid for separately by the client. These include, but are not limited to, margin costs, charges imposed directly by a mutual fund or exchange traded fund, 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.

Accounts participating in the wrap fee program are not charged higher advisory fees based on trading activity, but clients should be aware that SFG has an incentive to limit trading activities for those accounts since the firm absorbs those transaction costs. To address this conflict, SFG will always act in the best interest of its clients consistent with its fiduciary duty as an investment adviser.

Services Limited to Specific Types of Investments

Performance-Based Fees and Side-By-Side Management

SFG does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Clients paying a performance-based fee should be aware that investment advisers have an incentive to invest in riskier investments when paid a performance-based fee due to the higher risk/higher reward attributes.

SFG generally limits its investment advice to mutual funds and insurance products (including annuities), although SFG will opine on individual security positions in a client's account.

SFG also periodically offers educational seminars and workshops by invitation.

Client Tailored Services and Client Imposed Restrictions

SFG will provide tailored financial advice for each client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by SFG on behalf of the client. SFG recommends model allocations, which are not personalized by SFG, Betterment, or AssetMark, client-by-client and thus do not allow for clients impose restrictions based on social values or morals. However, SFG will take into account the individualized investments needs, restrictions, and targets of the client when making model allocation recommendations and provides customized investment advice for each individual client.

Wrap Fee Programs

As discussed herein, SFG sponsors this wrap fee program while AssetMark /Betterment LLC acts as portfolio manager. SFG manages the investments in the wrap fee program, but does not manage those wrap fee accounts any differently than it would manage non-wrap fee accounts. The fees paid to the wrap account program will be given to SFG as a management fee.

Amounts Under Management

SFG has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$124,621,445	\$17,500,000	December 31, 2023

A. Methods of Analysis and Investment Strategies

Methods of Analysis

SFG's methods of analysis include modern portfolio theory.

Modern portfolio theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various assets.

Investment Strategies

SFG uses/recommends long term investing.

B. Material Risks Involved

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Methods of Analysis

Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long-term investing is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Risks of Specific Securities Utilized

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond “fixed income” nature (lower risk) or stock “equity” nature.

Annuities are retirement products for those who may have the ability to pay a premium now and want to guarantee they receive certain payments or a return on investment in the future. Annuities are contracts issued by a life insurance company designed to meet requirements or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Securities (Proxy Voting)

SFG will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7: Client Information Provided to Portfolio Managers

All client information material to managing the portfolio (including basic information, risk tolerance, sophistication level, and income level) is provided to the portfolio manager. The portfolio manager will also have access to that information as it changes and is updated.

Item 8: Client Contact with Portfolio Managers

SFG places no restrictions on client ability to contact its portfolio managers. SFG's representative, Cory Edwin Shepherd can be contacted during regular business hours and contact information is on the cover page of Cory Edwin Shepherd's Form ADV Part 2B brochure supplement.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

There are no administrative proceedings to report.

Self-Regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither SFG nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither SFG nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts.

The way we make money could create some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours. Paul Adams and Cory Shepherd are licensed insurance agents and will offer clients advice or products from those activities. SFG itself (Sound Financial, LLC) is licensed as an insurance producer. Clients should be aware that these services pay a commission or other compensation and involve a conflict of interest, as commissionable products conflict with the fiduciary duties of a registered investment adviser.

SFG always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients always have the right to decide whether or not to utilize the services of any SFG or its representatives for insurance.

Cory Shepherd and Paul Adams are the co-authors of Your Business Your Wealth.

Cory Shepherd is the Managing Member of Lantern Tree Media Development Group, LLC. Lantern Tree Media Development Group, LLC is focused on media property development. This company will acquire media properties, whether that be books, original stories, or screenplays, with the intent to create a packaged project that can enter into production. Cory Shepherd's role includes assessing and approving projects. Cory Shepherd shares beneficial ownership of Lantern Tree Media Development Group, LLC with two advisory clients of SFG. SFG will not give Cory Sheperd or the additional owners any preferential treatment over other SFG clients.

Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections

SFG will direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay SFG its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between SFG and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. SFG will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. SFG will ensure that all recommended advisers are licensed or notice filed in the states in which SFG is recommending them to clients.

B. Code of Ethics, Client Referrals, and Financial Information

Code of Ethics

SFG has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. SFG's Code of Ethics is available free upon request to any client or prospective client.

Recommendations Involving Material Financial Interests

SFG does not recommend that clients buy or sell any security in which SFG or a related person has a material financial interest.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of SFG may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of SFG to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. SFG will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of SFG may buy or sell securities for themselves at or around the same time that third-party advisers buy or sell those securities for client accounts. As noted above, such transactions may be a conflict of interest; however, SFG will never engage in personal trading that operates to the client's disadvantage.

Frequency and Nature of Periodic Reviews

All financial planning accounts are reviewed upon financial plan creation and plan delivery by either Paul Adams, CEO, or Cory Shepherd, President. The follow-up review depends on the level of service as detailed in Item 4.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

For accounts directed by SFG to a third-party adviser or administrator, the client will receive from the custodian a quarterly report detailing the client's account, including assets held, asset value, and fees.

Economic Benefits Provided by Third Parties for Advice Rendered to Clients

SFG receives compensation from third-party advisers to which it directs clients. Please see Item 5 in the ADV2A brochure.

Compensation to Non – Advisory Personnel for Client Referrals

SFG does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Balance Sheet

SFG neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither SFG nor its management has any financial condition that is likely to reasonably impair SFG's ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

SFG has not been the subject of a bankruptcy petition.