
WATCH HILL CAPITAL, L.L.C.

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This brochure represents an annual update. There have been no material changes since Watch Hill Capital's last annual update on March 31, 2010.

This brochure provides information about the qualifications and business practices of Watch Hill Capital, L.L.C. If you have any questions about the contents of this brochure, please contact us at 404-264-8686 or rstocks@watchhillcapital.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 Watch Hill Capital, L.L.C. also is available on the Securities and Exchange Commission's website at www.adviserinfo.sec.gov.

Registration does not imply a certain level of skill or training.

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ADVISORY BUSINESS

Watch Hill Capital, L.L.C. was formed by its sole member/manager Roger C. Hamilton to provide investment supervisory services to and manage on a discretionary basis a limited number of individual account clients. Watch Hill Capital offers advise on exchange-listed and over-the-counter equity securities as well as United States government securities.

Mr. Hamilton holds an undergraduate degree from Duke University, Durham, North Carolina and a MBA – Finance from New York University, New York, New York. In 1967, after serving in the United States Navy as a Lieutenant (jg), he joined the Chase Manhattan Bank in New York City as an Investment Officer. Roger moved to Atlanta to join the investment advisory firm of Montag and Caldwell in 1969. In 1975, he joined Wall, Patterson, McGrew & Richards and in 1982, Roger became President and a Director of Wall, Patterson, McGrew and Hamilton, Inc., which later became Hamilton, Allen & Associates, Inc. From 1990 until September 1994, he served as President and CEO of Hamilton, Allen. In October 1994, Roger established what has now become Watch Hill Capital, L.L.C. where he currently serves as the Chief Executive and Chief Investment Officer.

Watch Hill Capital has been granted the authority by its clients to determine, without specific consent, the securities to be bought or sold, the amount of those securities and the brokers or dealers utilized to make those trades. Any limitations which might be placed on Watch Hill Capital are “client specific.” For example, Watch Hill Capital might be required to use a specific broker or dealer to execute transactions in the respective client’s account in recognition or as a result of custodial or other services provided to the client by the broker or dealer. Watch Hill Capital may also be required to use a specific broker or dealer as a result of specific client instructions directing Watch Hill Capital to do so. These “client specific” limitations may result in certain costs or disadvantages to the client, either because the client may pay higher commissions on some transactions that might otherwise be attainable by Watch Hill Capital, or may receive less favorable execution of some transactions, or both.

All Watch Hill Capital individual client accounts are managed on a discretionary basis. As of December 31, 2010, the market value of assets managed equaled \$39,435,274.

FEES AND COMPENSATION

Fees for investment supervisory services are based on a percentage of assets under management.

The fee schedule of individual account clients is negotiable and varies between an annual rate of 0.75% and 2.0% of assets under management.

Fees are payable quarterly based on the total market value of the assets in individual account clients as of the close of business on the last day of the months of January, April, July and October.

For example:

Market value as of January 31 st	\$1,000,000.00
Annual Fee = 1.0% of Market Value	\$10,000.00
Quarterly Fee Billed	\$2,500.00

Clients may choose to have fees deducted from assets or billed directly. If the client chooses to have management fees paid by the custodian, the client must submit a letter of authorization to the custodian giving the custodian permission to remit payment directly to Watch Hill Capital. Copies of all invoices are mailed to the client at the same time they are submitted to the custodian for payment.

If an individual account client chooses to terminate the investment advisory contract with Watch Hill Capital before the end of a billing cycle, they may be eligible to receive a pro rated refund of fees paid.

PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Watch Hill Capital does not accept performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client.

TYPES OF CLIENTS

Watch Hill Capital, L.L.C. provides investment supervisory service to individuals, pension and profit sharing plans, trusts, estates and/or charitable organizations.

The minimum amount of assets to establish a separate account is \$1,000,000.00 subject to waiver in Watch Hill Capital's discretion.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Watch Hill Capital's security analysis methods include fundamental and technical research. Main sources of information include financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the SEC, and company press releases. Watch Hill Capital employs a fundamentally based, quantitative database/model emphasizing positive earnings revision, expectational earnings surprise analysis, relative price momentum, and valuation analysis.

Investment strategies used to implement investment advice include long term purchases (securities held at least a year), short term purchases (securities held less than a year), trading (securities held less than 30 days), short sales, and margin transactions.

Investing in securities involves risk of loss that clients should be prepared to bear.

DISCIPLINARY INFORMATION

There are no material legal or disciplinary events.

OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Watch Hill Capital, including management persons, is not registered nor has applications pending to register as a broker-dealer or a registered representative of a broker-dealer.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

As professional organizations serving the public in the area of asset management, all officers, directors and employees of Watch Hill Capital must be guided in their actions by the highest ethical and professional standards. In view of the foregoing, Watch Hill Capital has adopted a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by Watch Hill personnel. A copy of Watch Hill's Code of Ethics will be provided to any client or prospective client upon request.

Mr. Hamilton has personal individual accounts that he trades actively. When trading in a particular security, purchase and sale orders for his own accounts and client accounts may be combined with each investor receiving an average price for jointly purchased or sold securities and paying its share of commissions and trading costs. When orders are not combined, orders to purchase or sell a particular security for personal accounts or the accounts of other related persons are usually placed after placing the same type of order with respect to the same security for the client.

BROKERAGE PRACTICES

In the accounts where Watch Hill Capital has discretion to select brokers or dealers to execute portfolio transactions, they are selected on the basis of obtaining the best overall execution for each trade, which is a combination of price and execution. The judgmental factors considered by Watch Hill in the selection of broker/dealers include: the ability of the broker/dealer to achieve prompt and reliable execution at favorable prices; the operational efficiency with which transactions are effected; the reputation, financial strength, integrity and stability of the broker/dealer, as confirmed in part through the duration and scope of the broker/dealer's relationship with Watch Hill and related persons; the competitiveness of commission rates in comparison with other brokers satisfying Watch Hill's other selection criteria; and other factors that may be unique to a particular trade. Recognizing the value of these judgmental factors, Watch Hill Capital may pay commissions that are higher than the lowest commission that might otherwise be available for any given trade.

In addition to best overall execution and the judgmental factors referred to above, Watch Hill Capital also selects brokers based on the quality and amount of the "research" and other "non-research" products and services provided or paid for by the broker. "Research" and related services provided by brokers/dealers may include, without limitation, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical, computer and telecommunications services and equipment utilized in the investment management process. Research products and services normally benefit many accounts rather than just the one(s) for which the trade is being executed, but not all research may be used by Watch Hill Capital in connection with the account(s) which paid commissions to the broker providing the research.

The "non-research" products and services that may be provided or paid for by brokers/dealers may include, without limitation, prime brokerage services, computer and other office equipment, third party consulting fees, and custody, record keeping and similar charges. These non-research products and services are for the benefit of Watch Hill Capital or particular clients and may or may not be expenses that would otherwise be borne by clients. Accordingly, some or all of the non-research products or services may benefit only Watch Hill Capital or specific clients without any benefit to other clients whose brokerage help pay for such services because brokerage transactions are made, where appropriate, on a combined or aggregate basis.

Watch Hill Capital may also consider the overall business relationship between brokers/dealers and Watch Hill Capital or related persons, including recommendations of Watch Hill Capital or related persons to potential clients. Accordingly, a particular client may not receive all or the direct benefit of some services and equipment provided based in part on the client's portfolio transaction business.

It is possible that Watch Hill Capital may pay, or be deemed to have paid, commission rates higher than it could have otherwise paid in order to be assured of continuing to receive research, non-research products and services. With respect to research products and services, such higher commissions would be paid in accordance with Section 28(e) of the Securities Exchange Act of 1934, which requires Watch Hill Capital to determine in good faith that the commission paid is reasonable in relation to the value of the research provided. The amount of brokerage specifically allocated to any particular broker will be at the sole discretion of Watch Hill Capital and will be based on, among other things, the cost of the research or non-research product or service to the broker or Adviser, as the case may be, and the amount allocated is generally higher than that which Watch Hill Capital would pay for it in cash using its own funds. Clients should consider that there is a conflict of interest between their interests in obtaining best execution and Watch Hill Capital's receipt of and payment for research and nonresearch products and services through brokerage allocations. Clients should also consider that brokerage from their accounts could be used for non-research products and services that likely have no direct benefit to them.

When trading in a particular security, purchase and sale orders for Watch Hill Capital's clients and Mr. Hamilton's personal accounts, may, in Watch Hill Capital's discretion, be combined or "bunched," with each investor receiving an average price for jointly purchased or sold securities and paying its pro rata share of total commissions and trading costs. Trades for ERISA clients are never bunched with non-ERISA clients to the extent the commissions from the trade are being used to pay for non-research products or services.

If a transaction for a particular security is being made through more than one broker or dealer because of clients' instructions, custody or other reasons, Watch Hill Capital places the orders through a rotation of the executing brokerage firms in a particular sequence. The sequence is rotated on a per trade basis to ensure that no group of clients is disadvantaged over time by the timing of the executions. If all the securities submitted for a bunched trade through a particular broker is not executed (a "partial fill"), Watch Hill Capital will allocate the securities bought or sold in such a way so as to ensure that, over time, no Adviser client would be favored over any other client, provided that the personal accounts of Mr. Hamilton or related persons are not allocated any securities until the accounts of clients are allocated the entire amount of the trade. In general, partial fills are allocated pro rata among the clients involved except as may otherwise be determined by Watch Hill Capital under the circumstances as a result of, for example, the small number of shares involved and the portfolio needs of some clients over others.

The Advisory trading procedures and practices are not designed to prevent any given client from being advantaged or disadvantaged on prices. Rather, they are designed to prevent any special consideration being given to any client over another client, and that there will be no special consideration given to Mr. Hamilton or any affiliated person over a client. Clients may pay different prices due to the specific timing of the trade through the particular broker and may pay different commissions as a result of, among other

things, the broker or dealer used to execute the client's transaction and the specific arrangement between the client and the broker/dealer.

REVIEW OF ACCOUNTS

On a daily basis, every portfolio is reviewed by Mr. Hamilton, Chief Investment Officer and sole member manager of Watch Hill Capital, L.L.C.

On a monthly basis, all clients are provided with a portfolio appraisal showing assets held at each month's end and performance of those assets compared to various market indexes. Some clients may request and will be provided with a portfolio appraisal showing assets held only at the end of each calendar quarter's end and performance of those assets compared to various market indexes.

CLIENT REFERRALS AND OTHER COMPENSATION

Watch Hill Capital does not compensate or provide economic benefit to any person for providing investment advice, other advisory services, or client referrals.

CUSTODY

Watch Hill Capital does not have custody of client funds or securities. All clients receive monthly account statements directly from the broker-dealer, bank or other qualified custodian. Clients are encouraged to carefully review those statements and compare those against the portfolio appraisals furnished to them by Watch Hill Capital.

INVESTMENT DISCRETION

Watch Hill Capital has been granted the authority by its clients to determine, without specific consent, the securities to be bought or sold, the amount of those securities and the brokers or dealers utilized to effect those trades. Any limitations which might be placed on Watch Hill are "client specific." For example, Watch Hill Capital might be required to utilize a specific broker or dealer to execute transactions in the respective client's account in recognition or as a result of custodial or other services provided to the client by the broker or dealer. Watch Hill may also be required to use a specific broker or dealer as a result of specific client instructions directing them to do so. These "client specific" limitations may result in certain costs or disadvantages to the client, either because the client may pay higher commissions on some transactions than might otherwise be attainable by Watch Hill, or may receive less favorable execution of some transactions, or both.

VOTING CLIENT SECURITIES

Watch Hill Capital does not have, and will not accept, authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients may contact Watch Hill Capital if they have questions regarding any solicitation they may receive.

FINANCIAL INFORMATION

Watch Hill Capital does not require or solicit prepayment of client fees six months or more in advance.

Watch Hill Capital has never been the subject of a bankruptcy petition.