

## Strait & Sound Wealth Management LLC

11900 NE 1<sup>st</sup> Street, Suite 300-3037  
Bellevue, WA 98005  
(925) 282-5800  
[www.straitandsound.com](http://www.straitandsound.com)

May 9, 2020

This brochure provides information about the qualifications and business practices of Strait & Sound Wealth Management LLC. If you have any questions about the contents of this brochure, please contact us at the telephone number and/or e-mail address above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or any state securities authority. Our e-mail for regulatory compliance is [cco@straitandsound.com](mailto:cco@straitandsound.com).

Strait & Sound Wealth Management LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training. The verbal and written communications of an investment advisor provide you with information you need to determine whether to hire or retain the advisor.

Additional information about Strait & Sound Wealth Management LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## Strait & Sound Wealth Management LLC

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The initial submission of this Disclosure Brochure was dated May 9, 2020.

Please contact us at (925) 282-5800 or [dbarnes@straitandsound.com](mailto:dbarnes@straitandsound.com) if you would like a copy of our updated Part 2. Additional information about us is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## ITEM 3

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## **ITEM 4: ADVISORY BUSINESS**

### **Who we are**

Strait & Sound Wealth Management LLC (referred to as “we,” “our,” “us,” or “Strait & Sound”), was formed in March 2020 and submitted its application for registration as an investment advisor in May 2020. Strait & Sound is owned by Barnes Capital Inc., which is in turn owned by our principal, Daniel Barnes.

### **Investment Management Services**

We offer wealth management on a discretionary and non-discretionary basis. Most services are on a discretionary basis. However, due to the complex nature of many clients lives, we inherently consider non-discretionary assets in crafting, guiding and creating strategies for management and planning .

We often conduct discovery process in the beginning of a client relationship. We document their profiles and preferences so that we may align their expectations with our strategies and planning to achieve their financial and life goals.

Clients may impose reasonable restrictions on investments in certain securities or types of securities. Any investment restrictions will be confirmed in writing with the client.

We do not provide portfolio management services to a wrap fee program.

### **Investment Consulting Services**

From time-to-time we will accept an engagement of consultative services in which we provide analysis, critique and recommendations. Such services are an exception to our standard practice of offering wealth management services on a discretionary basis.

### **Assets under management**

We are a newly registered investment advisor and have no assets under management at this time.

## **ITEM 5: FEES AND COMPENSATION**

### **Investment Management Services**

#### Advisory Fees & Billing Practices

Fees for investment management are generally 0.5 - 1.5% per year of the assets under management. These fees are billed at the beginning of each quarter, based on the assets under management as of the last day of the previous calendar quarter. We may negotiate lower fees based on amount of managed assets and the scope and complexity of the services provided.

We generally require that you provide authorization for us to deduct our fees directly from your investment account. Following are important disclosures about the deduction of management fees:



- You must provide authorization for us to deduct fees.
- You will receive a statement from your custodian which shows all transactions in your account, including the deduction of our fee.
- You are responsible for reviewing the accuracy of the fees being billed, as the custodian will not do so.

In limited circumstances we may agree to allow clients to pay by check rather than deducting payment directly from the client account.

Clients may end our advisory relationship by providing 30 days written notice. We will prorate the advisory fees earned through the termination date and send you a refund of the prepaid, unearned portion of your fee. We process refund payments within 30 days of the termination date and will send you a check or refund your investment account.

#### Other Costs Involved

In addition to our advisory fee shown above, you are responsible for paying fees associated with investing for your account. These fees include:

- mutual fund loads (if applicable). These charges are paid to brokers as a form of commission.
- management fees for ETFs and mutual funds. These are fees charged by the managers of the ETF or mutual fund and are a portion of the expenses of the ETF or mutual fund.
- brokerage costs and transaction fees for any securities or fixed income trades. These are generally charged by your custodian and/or executing broker.

Additional information about brokerage costs and services is provided in “Item 12: Brokerage Practices.”

### Investment Consulting

Investment Consulting services are provided for an hourly fee of \$250 - \$350. You will receive an invoice upon completion of the engagement that is payable upon receipt. You may pay for investment consulting services by check or electronic transfer.

You may cancel our investment consulting agreement at any time by providing written notice. Upon cancellation, we will present you with an invoice for time spent. This invoice is payable upon receipt.

We believe the fees mentioned above are competitive; however you may be able to obtain similar services from other sources at a lower price.

### **ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not receive performance fees for managing accounts.



## **ITEM 7: TYPES OF CLIENTS**

Our clients are typically individuals, high net worth individuals and business entities. Generally we require that you place \$500,000 under management with us. However, we may waive that minimum at our sole discretion.

## **ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

We use a mosaic approach to analyse secular change and craft asset allocation strategies for each client portfolio. Historical valuation metrics and behavioral analysis are considered as are technical and contrarian indicators. Effort is made to choose assets which are less correlated with each other in times of market stress. Each account is considered as a constituent part of the households overall investment allocation. Research endeavors to uncover asset classes which are safely investable while adding diversification benefits to portfolios.

**Bond Allocations** – fixed income carries many risks, credit, interest rate, sector and ETF liquidity concerns. To mitigate these risks we invest in general obligation municipal bonds which carry very low credit risk. We also invest in seasoned managers in the corporate sector and our emphasis is to buy value where we can find it. Bond allocations represent a critical component of the capital preservation strategy in real terms.

**Equity Allocations** –We are all-weather investment managers. We consider a wide variety of investment assets. Most of them are liquid public securities. These include stocks, ETFs, mutual and close end funds and high yield securities which we believe carry risk commensurate with equity risk. Mutual funds are highly diversified, so security specific risk is lower. However they are subject to withdrawals which can compel the manager to sell securities it does not wish to and produce undesirable results. We mitigate against this risk by using an ultra high scrutiny of mutual funds. We have developed some expertise working with a multi-family apartment experts. These investments are structured as limited partnerships and we have great confidence in the management company we partner with. We use these allocations for “equity risk” in some client portfolios. As a developing wealth management ensemble we expect to continue to broaden our investment offerings as our client profile shifts upstream to a greater percentage of high net worth households.

All investments involve different degrees of risk. You should be aware of your risk tolerance level and financial situation at all times. While we cannot guarantee the successful performance of an investment and we are expressly prohibited from guaranteeing accounts against losses arising from market conditions, we do work closely with clients to assess their actual risk tolerance and design portfolios accordingly.

## **ITEM 9: DISCIPLINARY INFORMATION**

Registered investment advisors are required to disclose any material facts regarding any legal or disciplinary actions that would be material to your evaluation of the investment advisor and each investment advisor representative providing investment advice to you. We have no information of this type to report.



## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Daniel Barnes, is also the President of Barnes Capital, Inc., a registered investment advisor. Barnes Capital has entered into an arrangement with RB Capital Management, LLC, a federally registered investment advisor. This agreement allows it to offer additional investment opportunities to its clients at a lower rate than would be available when offered through Barnes Capital directly. As part of this arrangement, Mr. Barnes is be the portfolio manager at RB Capital Management, LLC for these accounts.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **Code of Ethics**

We have adopted a set of enforceable guidelines (Code of Ethics), which describes unacceptable conduct by Strait & Sound and our associated persons. Summarized, this Code of Ethics prohibits us from:

- placing our interests before yours,
- using non public information gathered when providing services to you for our own gains, or
- engaging in any act, practice or course of business that is, or might be considered, fraudulent, deceptive, manipulative, or in violation of any applicable law, rule or regulation of a governmental agency.

Please contact us if you would like to receive a full copy of this Code of Ethics.

### **Personal Trading for Associated Persons**

We may buy or sell some of the same securities for you that we already hold in our personal account. We may also buy for our personal account some of the same securities that you already hold in your account. It is our policy not to permit our associated persons (or their immediate relatives) to trade in a way that takes advantage of price movements caused by your transactions.

We may restrict trading for a particular security for our accounts or those of our associated person if there is a pending trade in that security in a client account. Trades for our accounts (and those of our associated persons) will be placed as part of a block trade with client trades, or individually after client trades have been completed. Additional information about block trades is provided in the Aggregation of Orders section of “Item 12: Brokerage Practices.” When our trades are placed after our client trades, we may receive a better or worse price than that received by the client.

Strait & Sound and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

All persons associated with us are required to report all personal securities transactions to us quarterly.



## **ITEM 12: BROKERAGE PRACTICES**

### **Selection of Brokers**

In selecting brokers to execute portfolio transactions, we make a good faith judgment of about which broker would be appropriate. We take into consideration not only the available prices and rates of brokerage commissions, but also other relevant factors that may include (without limitation):

- the execution capabilities of the broker/dealer,
- research (including economic forecasts, investment strategy advice, fundamental and technical advice on individual securities, valuation advice and market analysis),
- custodial and other services provided by the broker/dealer that are expected to enhance our general portfolio management capabilities,
- the size of the transaction,
- the difficulty of execution,
- the operational facilities of the broker-dealers involved,
- the risk in positioning a block of securities, and
- the quality of the overall brokerage and research services provided by the broker/dealer.

When we select the broker/dealer for a transaction, we may cause you to pay a higher commission for effecting a transaction than another broker/dealer would have charged for effecting that transaction. We do this if we determine in good faith that the amount of the commission is reasonable in relation to the value of the brokerage services provided by the broker/dealer. The determination is viewed in terms of either the particular transaction or our overall responsibilities to you.

### **Aggregation of Orders**

There are occasions on which portfolio transactions will be executed as part of concurrent authorizations to purchase or sell the same security for another client or one or more of our associated persons.

We may choose to block (aggregate) trades for your account with those of other client accounts and personal accounts of persons associated with Strait & Sound. When we place a block trade, all participants included in the block receive the same price per share on the trade. The price is calculated by averaging the price of all of the shares traded. Due to the averaging of price over all of the participating accounts, aggregated trades could be either advantageous or disadvantageous. Commission costs are not averaged. You will pay the same commission whether your trade is placed as part of a block or on an individual basis. The objective of the aggregated orders will be to allocate the executions in a manner that is deemed equitable to the accounts involved.

### **Soft Dollars**

The receipt of goods and/or services from the required custodian in connection with providing advice to clients is seen by the regulators as “soft dollars.” The additional services we receive from custodians, as disclosed in Item 14 below, would fall under this description of soft dollars.



## Directed Brokerage

You may instruct us to execute any or all securities transactions for your account with or through one or more broker/dealers designated by you. In these cases, you are responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the broker/dealers and you are satisfied with the terms and conditions. We have no responsibility for obtaining the best prices or any particular commission rates for transactions with or through the broker/dealer in these situations. You recognize that you may not obtain rates as low as you might otherwise obtain if we had discretion to select broker/dealers other than those chosen by you. If we believe, in our exclusive discretion, that it cannot satisfy its fiduciary duty of best execution by executing a transaction for your account with a broker/dealer designated by you, we may execute that transaction with a different broker/dealer. If you would like us to cease executing transactions with or through the designated broker/dealer you must notify us in writing.

## ITEM 13: REVIEW OF ACCOUNTS

We review client accounts at least annually. We compare the asset allocation to the clients investment policy statement and household objectives. Reviews are performed by Daniel Barnes, CIO

Our technology enables reports to be created by clients at any time. You will receive quarterly written reports containing standard investment review data including income, realized and unrealized gains/losses, cost basis and allocation. A written analysis including any changes are provided annually and upon request. In addition, reports will be downloadable to each client.

## ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

We receive economic benefits from custodians that we use to execute trades in client accounts. These benefits include the following products and services (provided without cost or at a discount):

- receipt of duplicate client statements and confirmations;
- research related products and tools;
- access to a trading desk serving investment advisor participants;
- access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts);
- the ability to have advisory fees deducted directly from client accounts;
- access to an electronic communications network for client order entry and account information; and
- access to mutual funds with no transaction fees and to certain institutional money managers.

We do not directly or indirectly compensate anyone for client referrals.

## ITEM 15: CUSTODY

If you give us authority to deduct our fees directly from your separately managed account, we have custody of those assets. In order to avoid additional regulatory requirements in these cases, we follow the



procedures outlined in “Item 5: Fees and Compensation.” You will also receive quarterly statements directly from custodian of the account that details all transactions in the account.

For accounts where the client has a standing letter of authorization that allows us to transfer money between accounts specified by the client, we are also deemed to have custody. We follow the guidance outlined in the Investment Adviser Association no-action letter dated February 21, 2017, for these accounts. A copy of this letter is available upon request.

At no time do we accept physical custody of client assets.

## **ITEM 16: INVESTMENT DISCRETION**

You may provide discretionary authority for us to manage your assets. Discretionary authority means that you are giving us a limited power of attorney to place trades on your behalf. This limited power of attorney does not allow us to withdraw money from your account, other than advisory fees if you agree to give us that authority.

You grant us discretionary authority by completing the following items:

- Sign a contract with us that provides a limited power of attorney for us to place trades on your behalf. Any limitations to the trading authorization will be added to this agreement.
- Provide us with discretionary authority on the new account forms that are submitted to the broker/dealer acting as custodian for your account(s).

We also offer non-discretionary advisory services. If you elect to engage us to manage assets on a non-discretionary basis, we will contact you before each trade is placed in your account.

Clients may and do ask us to avoid certain industries, companies and infrequently, asset classes. We honor their requests.

## **ITEM 17: VOTING CLIENT SECURITIES**

We do not accept the authority to vote proxies on your behalf and we do not provide guidance about how to vote proxies. You will receive proxies and other related paperwork directly from your custodian.

## **ITEM 18: FINANCIAL INFORMATION**

We do not charge or solicit pre-payment of more than \$1,200 in fees per client six months or more in advance. We have never filed for bankruptcy and are not aware of any financial conditions that are reasonably likely to impair our ability to meet our contractual obligations to clients.