

Soundwatch Capital, LLC

Brochure Dated 3/30/2021

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This brochure provides information about the qualifications and business practices of Soundwatch Capital, LLC. If you have any questions about the contents of this brochure, please contact us at (646)-442-9650. 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 Soundwatch Capital, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Soundwatch Capital, LLC as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Item 2 Material Changes

Soundwatch Capital, LLC (the “Registrant”) will update this brochure: 1) annually, and 2) promptly when certain information becomes materially inaccurate. The Registrant did not make any material changes to the brochure since the last annual update, dated March 30, 2020.

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Item 4 Advisory Business

- A. Soundwatch Capital, LLC (the “Registrant”) is a limited liability company formed on September 16, 2014 in the State of New York. The Registrant became registered as an investment adviser in October 2014.
- B. Soundwatch provides rules-based investment strategies, in the form of its hedged equity strategy and various defined outcome strategies (aka “bespoke” strategies). In all strategies, Soundwatch seeks to maintain an appropriate balance between risk and reward over the course of market cycles by strategically investing across a combination of primarily exchange traded funds (“ETFs”) and listed options. The defined outcome strategies include an options overlay strategy, whereby Soundwatch may also utilize a portfolio of individual equity securities.

As discussed below, the Registrant offers sub-advisory investment services to investment advisers with respect to such investment advisers’ clients (each an “SMA client”). The Registrant does not provide financial planning services. The Registrant is also an investment advisor to Soundwatch Hedged Equity Fund (BHHEX), an investment company registered under the Investment Company Act of 1940 (the “Fund”).

SUB-ADVISORY INVESTMENT MANAGEMENT SERVICES

As a sub-advisor to SMA clients, the Registrant has discretionary authority for the day-to-day management of the assets that are allocated to it by other investment advisors (i.e., principal advisors). For such clients, the Registrant’s annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under the Registrant’s management, generally between 0.50% and 1.00%.

Please Note: The principal advisors maintain both the initial and ongoing day-to-day relationship with the underlying SMA client, including initial and ongoing determination of client suitability for the Registrant’s designated investment strategies and/or programs. In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely thereon.

Disclosure Statement. A copy of the Registrant’s written brochure as set forth on Part 2 of Form ADV shall be provided to each investment advisor (or platform manager) prior to, or contemporaneously with, the execution of the Registrant’s Sub-Advisory Agreement. Each such investment advisor (or platform manager) shall be responsible for delivering a copy of the Registrant’s Part 2A to each underlying SMA client, to the extent applicable.

- C. For the hedged equity strategy, the Registrant does not provide investment management specific to the needs of each underlying SMA client. Instead, the Registrant has created models geared toward specific investment objectives. The Registrant shall manage those models consistent with their stated objectives. Investment advisors who engage the Registrant to provide sub-advisory services using the hedged equity strategy, do so knowing that the underlying SMA client’s assets shall be managed through the Registrant’s models. For the various defined outcome strategies, the Registrant tailors its advisory services to the individual needs of each client and clients, through their principal advisor, may impose restrictions on investing in certain securities or types of securities. Investment guidelines and

restrictions are determined jointly by the Registrant and the client, through the principal advisor, at the onset of the relationship.

Please Note: The Registrant generally does not accept restrictions on its rules-based investment strategies, however, requests may be considered on a case by case basis.

- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2020, the Registrant had \$336,149,336 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

A.

SUB-ADVISORY INVESTMENT MANAGEMENT SERVICES

The Registrant's standard annual investment advisory fee for SMA clients shall vary from 0.30% up to 1.00% of the total assets placed under the Registrant's management / advisement and shall be based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). The Registrant's standard annual investment advisory fee is negotiable.

Note: Fee Differentials. The Registrant shall price its services based upon various objective and subjective factors. As a result, the Registrant's fees are diverse based upon the market value of an SMA client's assets, the complexity of the engagement, and the level and scope of the overall services to be rendered. The services to be provided by the Registrant to any particular underlying SMA client could be available from other advisers at lower fees. All investment advisors seeking to engage the Registrant in a sub-advisory capacity should be guided accordingly.

The Registrant believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided, and (2) the fees charged by other investment advisers offering similar services/programs.

In addition to Registrant's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses).

Please Note: Registrant's investment programs involve moderate portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

For its services provided to the Fund, the Fund pays the Registrant a monthly management fee that is calculated at the annual rate of 0.66% of the Fund's average daily net assets. This fee is not negotiable. Additional information regarding fund expenses, including advisory fees, paid by the Fund is available in the Fund's prospectus and statement of additional information.

- B. As a sub-advisor, the Registrant's fee may be paid by the engaging platform manager from

the platform fee it charges the underlying SMA client. The Registrant shall also have the ability to have its management fee for each SMA client debited by the custodian on a monthly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance. The Registrant's fees charged to SMA clients shall be billed monthly in arrears, based upon the market value of the assets on the last business day of the month.

The monthly management fee charged to the fund is deducted directly from the Fund's assets.

- C. The Registrant does not recommend broker-dealer/custodians for SMA clients. As a sub-advisor for SMA clients, when assets are directed to the Registrant, the engaging investment adviser and/or the underlying SMA client has already selected a broker-dealer/custodian for their investment assets. The Registrant does choose its broker-dealer for its role as the investment adviser to the Fund and seeks to obtain best price and execution in connection with its selection.

It should be noted that broker-dealers/custodians charge brokerage commissions and/or transaction fees for effecting certain securities transactions as described in Item 12 below (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to fees incurred by the underlying SMA client at the advisor level, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).

- D. Registrant's sub-advisory fee shall be prorated and paid monthly, in arrears, based on the market value of the assets under management on the last business day of the month. The Registrant is paid monthly in arrears for its role as a sub-advisor to the Fund.

The Sub-Advisory Agreement between the Registrant and an investment adviser will continue in effect until terminated by either party by written notice in accordance with the terms of the Agreement.

While the Registrant does not sell securities or insurance products to clients, supervised persons of the Registrant are permitted to accept compensation from the sale of securities and insurance products to clients of the Registrant in their individual capacities as licensed insurance agents and/or registered representatives.

Insurance Agents

Certain of the Registrant's supervised persons, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While the Registrant does not sell such insurance products to its clients, the Registrant does permit its supervised persons, in their individual capacities as licensed insurance agents, to sell insurance products to its clients.

Item 6 Performance-Based Fees and Side-by-Side Management

Neither the Registrant nor any supervised person of the Registrant accepts performance-based fees.

Item 7 Types of Clients

The Registrant primarily offers its investment management services to SMA clients on a sub-advisory basis or through the Soundwatch Hedged Equity Fund. The Registrant generally requires a minimum account size of \$250,000 for SMA clients. The Registrant, in its sole discretion, may waive its account minimum requirement and/or charge a lesser sub-advisory fee to SMA clients based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

- A. Currently, the Registrant invests client assets in the hedged equity strategy and various defined outcome strategies. Each of these strategies is a rules-based investment strategy that provides exposure to the equity market, while also providing additional income and protection through the use of highly liquid listed options. Each strategy seeks to maintain an appropriate balance between risk and reward over the course of market cycles and volatility regimes by strategically investing across a combination of exchange traded funds (“ETFs”) and listed options.¹ The defined outcome strategies include an options overlay strategy, whereby Soundwatch may also utilize a portfolio of individual equity securities.

For the hedged equity strategy, the available client assets will be principally invested in highly liquid ETF’s that are tracking the S&P 500 index. An index tracker will typically provide income in the form of dividends as well as capital appreciation in the underlying equities.

Additional income will be generated by selling covered call options and/or option spreads. Part of the income from dividends and options will be invested in put options and/or put spreads to limit downside risk. The put options/spreads are meant to limit the downside of the equity portfolio rather than to eliminate all downside risk. This tail risk protection will be in place at all times. There is no attempt to time the market as history has shown market corrections are impossible to predict.

The Registrant may utilize the following methods of security analysis:

- Fundamental - analysis performed on historical and present data, with the goal of making financial forecasts
- Technical – analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices
- Cyclical – analysis performed on historical relationships between price and market

¹ For the hedged equity strategy, the available client assets will be principally invested in highly liquid ETF’s that are tracking the S&P 500 index. An index tracker will typically provide income in the form of dividends as well as capital appreciation in the underlying equities.

trends, to forecast the direction of prices

The Registrant may utilize the following investment strategies:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s). Investing in securities involves risk of loss that clients should be prepared to bear.

Please Note: Cybersecurity Risk. Although the Registrant takes measures to decrease the risks associated with a cybersecurity event, the computer systems, networks and devices used by the Registrant and its service providers potentially can be breached. A client could be negatively impacted as a result of a cybersecurity breach. A cybersecurity breach could result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information of clients. A cybersecurity breach may also cause disruptions and impact business operations potentially resulting in a financial loss to a client.

- B. The Registrant's method of analysis does not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases and Short Term Purchases - are rules-based fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Within the rules-based fundamental investment strategy discussed above, the Registrant will also implement options transactions. Option strategies have inherent risks that investors in the strategy should be aware of and comfortable with.

The use of options transactions as an investment strategy involves the following inherent risks: Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller.

Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by the Registrant shall be with the intent of offsetting/hedging a potential market risk.

Please Note: Although the intent of the options-related transactions that may be implemented by the Registrant is to hedge against principal risk, the options-related strategies will not eliminate capital risk of the underlying and may, in and of themselves, produce price volatility in the portfolio.

The option strategy may reduce returns due to premium spent on protective puts. The option strategy may also reduce returns by capping the upside performance of the portfolio through covered calls. This can produce a tracking error versus the strategies benchmark. Thus, a client must be willing to accept these risks associated with such strategies.

In order to implement the above rules-based option strategy, the Registrant will normally use a margin account. Margin balances may fluctuate in a range of plus or minus 30% of account balance. Registrant may be directed, in writing, not to employ any margin for a particular SMA client account.

Principal Risks of Investing in the Soundwatch Hedged Equity Strategy

Losing all or a portion of your investment is a risk of investing in the strategy. An investment in the 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. In particular, the following risks could affect the value of your investment:

Equity Securities Risk: The risks that could affect the value of and the total return on your investment include the possibility that the equity securities held in your account will experience sudden, unpredictable drops in value or long periods of decline in value.

ETF Risk: When a client accounts is invested in an ETF, it will bear additional expenses based on its pro rata share of the ETF's operating expenses, including the potential duplication of management fees. The risk of owning an ETF generally reflects the risks of owning the underlying securities that the ETF holds. Client accounts also will incur brokerage costs when it purchases ETFs.

Implied Volatility Risk: When an option is sold in a client account, it gains the amount of the premium it receives, but also incurs a liability representing the value of the option it has sold until the option is either exercised and finishes "in the money," meaning it has value and can be sold, or the option expires worthless, or the expiration of the option is "rolled," or extended forward. The value of the options in which a client account invests is based partly on the volatility used by market participants to price such options (*i.e.*, implied volatility).

Accordingly, increases in the implied volatility of such options will cause the value of such options to increase (even if the prices of the options' underlying stocks do not change), which will result in a corresponding increase in the liabilities of the client account under such options and thus decrease the value of the client account.

Investment Strategy Risk: The Registrant uses the principal investment strategies and other investment strategies to seek to achieve investment objectives. Investment decisions made

by the Registrant in using these investment strategies may not produce the returns expected by the Registrant, may cause client accounts to lose value or may cause client accounts to underperform other investors with similar investment objectives.

Leverage Risk: Certain derivative instruments provide the economic effect of financial leverage by creating additional investment exposure, as well as the potential for greater loss. If leverage is used in a client account through purchasing derivative instruments, the client's account has the risk of losing more than its original investment. The asset value of the client account employing leverage will be more volatile and sensitive to market movements. Leverage may involve the creation of a liability that requires the client account to pay interest.

Market Risk: The prices of the securities in which client accounts invest may decline for a number of reasons. These reasons may include changing economic circumstances and perceptions about the creditworthiness of individual issuers. Markets are volatile and values of individual securities can decline significantly in value in response to adverse issuer, political, regulatory, market, economic, and other developments that may cause broad changes in market values.

Models and Data Risk: The Registrant relies on its proprietary model ("Models and Data") in making investment decisions for client accounts. When Models and Data prove to be incorrect or incomplete, any decisions made in reliance thereon expose client accounts to potential loss.

Options Risk: Options are complex securities that involve risks and are not suitable for everyone. Option trading can be speculative in nature and carry substantial risk of loss. Options are derivatives and may be subject to greater fluctuations in value than an investment in the underlying securities. A put option gives the purchaser of the option, upon payment of a premium, the right to sell, and the writer of the option the obligation to buy, the underlying security, index, currency or other instrument at a specified exercise price. A call option, upon payment of a premium, gives the purchaser of the option the right to buy, and the seller the obligation to sell, the underlying instrument at a specified exercise price. There are significant differences between securities and options that could result in an imperfect correlation between these markets, causing a given transaction not to achieve its objectives. Options may also be illiquid and a client account may have difficulty closing out its position prior to expiration.

Protective Put Option Risk: When a put option on a security or index is purchased in a client account, it may lose the entire premium paid if the underlying security or index does not decrease in value.

Protective Put Spread Risk: When a client account purchases a protective put spread on a security or index, it may lose the entire premium paid if the underlying security or index does not decrease in value. The put spread also will not protect the entire loss of the security, but only in the amount equal to the value of the long put options less the value of the short put options.

Option Spread Writing Risk: By writing call spreads (or put spreads) in return for the receipt of premiums, a client account will give up some of the opportunity to benefit from potential increases (or decreases) in the value of the underlying securities above (or below the exercise prices) of the written options. The premiums received from the options may not

be sufficient to offset any losses sustained from the volatility of the underlying securities over time.

Writing Covered Call Option Risk: By writing covered call options in return for the receipt of premiums, a client account will give up the opportunity to benefit from potential increases in the value of the underlying securities above the exercise prices of the written options, but will continue to bear the risk of declines in the value of such securities. The premiums received from the options may not be sufficient to offset any losses sustained from the volatility of the underlying securities over time. If trading is suspended, a client account may be unable to write options at times that may be desirable or advantageous to the client account to do so.

Correlation Risk. For certain strategies, due to the equity portfolio being different from the underlying of the option strategy, the size and price movement of the equity portfolio will differ from that of the underlying of the option strategy. This is correlation risk associated with using a broad-based ETF or index to hedge an equity portfolio. The equity portfolio may go down more than the underlying of the option strategy, and the underlying of the option strategy may go up more than the equity portfolio. If either of these occur, results will be lower than expected.

Item 9 Disciplinary Information

Neither the Registrant nor any of its supervised persons have been the subject of a disciplinary action.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its management persons, are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither the Registrant, nor its management persons, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Below is a description of certain relationships or arrangements that the Registrant and/or its management persons have with certain related persons.

Apexium Financial LP (“Apexium”). Apexium is an SEC registered investment adviser with its principal place of business located in New York, NY. The Registrant is under common control with Apexium and certain supervised persons of the Registrant have an ownership position in Apexium. The common control creates conflicts of interests. In the event of a conflict of interest, the Registrant will always act in the best interest of its clients.

Apexium Insurance Services, LP (“Apexium Insurance”). The Registrant is under common control with an affiliated insurance company Apexium Insurance, a firm providing its clients with insurance based products. Certain supervised persons of the Registrant have an ownership interest in Apexium Insurance. See Item 5 – Fees and Compensation for further information.

SWC USA LLC. SWC USA LLC is the manager and investment advisor to a private fund. The Registrant is under common control with SWC USA LLC and certain supervised person

of the Registrant have an ownership position in SWC USA LLC. This private fund is not offered to the Registrant's clients. The common control creates conflicts of interests. In the event of a conflict of interest, the Registrant will always act in the best interest of its clients.

SWC BV. SWC BV (domiciled in The Netherlands) is the manager and investment advisor to a private fund. The Registrant is under common control with SWC BV and certain supervised person of the Registrant have an ownership position in SWC BV This private fund is not offered to the Registrant's clients. The common control creates conflicts of interests. In the event of a conflict of interest, the Registrant will always act in the best interest of its clients.

- D. The Registrant does not recommend or select other investment advisors for its clients.

Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of the Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for the Registrant's supervised persons, which is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. Neither the Registrant nor any related person of the Registrant recommends, buys, or sells for client accounts, securities in which the Registrant or any related person of the Registrant has a material financial interest.
- C. The Registrant and/or representatives of the Registrant can buy or sell securities that are also recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to potentially materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of the Registrant's clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's "Access Persons." The Registrant's securities transaction policy requires that Access Person of the Registrant provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Access Persons are also required to provide quarterly transaction reports to the Chief Compliance Officer or his/her designee. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- D. The Registrant and/or representatives of the Registrant can buy or sell securities, at or around

the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant's Access Persons.

Item 12 Brokerage Practices

- A. As an investment advisor to the Fund, the Registrant will seek to obtain best price and execution in selecting broker-dealers. This will include many factors, including price, speed of service, and dependability, among other factors.

The Registrant does not recommend broker-dealers/custodians for execution and/or custodial services for its SMA clients. As a sub-advisor, when assets are directed to the Registrant, the engaging investment adviser and/or the underlying SMA client has already selected a broker-dealer/custodian for their investment assets. The Registrant requires that any engaging investment adviser executes a Sub-Advisory Agreement setting forth the terms and conditions under which Registrant shall provide sub-advisory services as well as all necessary paperwork at the custodial level granting the Registrant authority to transact on behalf of any underlying SMA client's account.

1. Research and Additional Benefits. The Registrant will have access to custodian's platforms in order to manage its sub-advisor accounts at each custodian. The custodian's platform provides access to a trading system and research which benefits Soundwatch Capital. The access to custodian platforms is granted for the purpose of managing our sub-advisory accounts at the custodian and are not based on transaction volumes or number of accounts. For SMA clients, the Registrant does not choose or recommend broker-dealers/custodians for execution and/or custodial services.

2. The Registrant does not receive client referrals from broker-dealers.

3. The Registrant does not recommend or select broker/dealers on behalf of SMA clients. The engaging investment adviser and/or the SMA client shall be responsible for selecting the broker-dealer/custodian. It shall not be the responsibility of the Registrant to negotiate terms and arrangements for custodial accounts with the SMA client's broker-dealer/custodian, nor shall the Registrant be responsible for seeking better execution services or prices from other broker dealers or be able to group the SMA client's transactions for block execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for their account.

- B. To the extent that the Registrant provides investment management services to SMA clients, the transactions for each such client's account are executed independently, unless the Registrant decides to purchase or sell the same securities for several underlying SMA clients at approximately the same time. The Registrant may (but is not obligated to) combine or "bunch" or block trade such orders **at the same custodian** to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the underlying SMA clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not

receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. Account reviews are conducted on a regular basis by the Registrant's portfolio managers, Robert Hammer, Chief Investment Officer and Jan Bos, Chief Investment Strategist. The investment advisors who engage the Registrant on a sub-advisory basis maintain both the initial and ongoing day-to-day relationship with the underlying SMA client, including initial and ongoing determination of client suitability for the Registrant's designated investment strategies and/or programs. It is the engaging investment advisor firm's responsibility to advise the Registrant of any changes.
- B. The Registrant typically also conducts account reviews upon the occurrence of a triggering event, such as a large dispersion from other accounts, significant deposits or withdrawals from an account, market corrections or a client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from their broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. The Registrant does not receive an economic benefit from someone who is not a client, for providing investment advice or other advisory services to the Registrant's clients.
- B. Neither the Registrant nor any of its supervised persons compensate any person for client referrals.

Item 15 Custody

The Registrant shall have the ability to have its advisory fee for each client debited by the custodian from the client's account. SMA clients are provided, monthly in arrears, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian.

Please Also Note: The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

Item 16 Investment Discretion

The Registrant may only be engaged to provide investment advisory services on a discretionary basis. Prior to the Registrant assuming discretionary authority over an underlying SMA client's account, the principal advisor shall be required to execute a Sub-Advisory Agreement with the Registrant or an Advisor Agreement with a Platform Manager, granting discretionary authority to the Registrant to buy, sell, or otherwise effect investment

transactions involving the assets in the underlying SMA client's name.

The Registrant generally does not accept restrictions on its rules-based investment strategies, however, requests may be considered on a case by case basis.

Item 17 Voting Client Securities

- A. The Registrant does not vote client proxies for SMA clients. The principal advisor and/or the underlying SMA client maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. SMA Clients will receive their proxies or other solicitations directly from their custodian. SMA clients may contact the Registrant (by email or phone) to discuss any questions they may have with a particular solicitation.
- C. The Registrant will vote proxies for the holdings in the Soundwatch Hedged Equity Fund as described in the Fund's Statement of Additional Information and according to the policies of US Bank Trust for Advised Portfolios "Proxy Voting Policy".

The Registrant seeks to vote proxies in a manner that serves the best interests of shareholders and not affected by any material conflict of interest. For all matters the Registrant has identified as routine, the Registrant will vote in accordance with the recommendation of the company's management, unless, in the Registrant's opinion, such recommendation is not in the best interests of the Fund.

The actual voting records relating to portfolio securities during the most recent 12-month period ended June 30 are available without charge, upon request, by calling toll-free 888-BHH-4601 (888-244-4601), or by accessing the SEC's website at www.sec.gov

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Robert Hammer, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.