

Strait & Sound

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This brochure provides information about the qualifications and business practices of Strait & Sound. 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.

Strait & Sound 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 is also available on the SEC's website at www.adviserinfo.sec.gov. The CRD number for Strait & Sound is 309306

Strait & Sound

Our previous annual update was dated February 13, 2022. Following is a summary of the material changes made to Part 2 since that amendment.

Cover Sheet: Updated phone number to (425) 577-7710.

Item 4: As of February 15, 2023, we manage assets of \$178.8 million on a discretionary basis. We had no non-discretionary assets under management.

Item 9: In April of 2022, Daniel Barnes, Chief Investment Officer, was fined \$20,000 for transacting investment advisory business in the State of Washington for compensation without being registered while employed by Barnes Capital, Inc.

Item 10: Provided information for outside business activity for a new investment adviser representative who has affiliations with other investment advisors and a Commodities Trading Advisor.

Item 13: Added Daniel Wu and Li Guay, both Investment Advisor representatives, as persons who also reviews clients' accounts

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| Please contact us at (425) 577-7710 or tsixt@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 . |
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ITEM 3

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ITEM 4: ADVISORY BUSINESS

Who we are

Strait & Sound Wealth Management LLC dba Strait & Sound (referred to as “we,” “our,” or “us”), was formed in March 2020 has been registered as an investment advisor with the SEC since June 2020. Strait & Sound is owned by Todd Sixt, Chief Executive Officer, through Hamilton Advisors LLC, Mel Lee, Chief Compliance Officer, through Hamilton Advisors LLC, Daniel Barnes, Chief Investment Officer through Uncommon Counsel, LLC, and Cory Baer, Chief Business Development Officer through Three Baer's Holding LLC.

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

Investment Management derives its mandate from the discovery of client information. It is this information which includes the values, goals, relationships, assets, experiences, and interests which informs the investment policy statement and investment action plan of the Investment Management at Strait & Sound. The scope of this includes financial planning, retirement planning, financial analysis of assets and liabilities, portfolio design, goals assessment, cash flow analysis, historical assessments, charitable planning strategies, tax optimization strategies, asset protection strategies, and review of other aspects relevant to the investment decision making process which stewards of wealth need to make good decisions.

Most clients agree to an investment management agreement whereby they pay a percentage of their assets under management to our firm quarterly. Upon occasion and as an exception to our standard business practice we maintain the discretion to accept clients on an hourly consulting basis.

The scope of the hourly work we perform for such clients can be wide ranging. In essence, we are providing the appropriate due diligence and discovery necessary to advise and guide and make recommendations and provide investment strategy and guidance, similar to our investment management clients.

Assets under management

As of February 15, 2023, we manage assets of \$178.8 million on a discretionary basis. We had no non-discretionary assets under management.

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, as disclosed in the following table:

| <u>Assets between</u> | <u>Annual Fee</u> |
|----------------------------|-------------------|
| \$0 – \$ 300,000 | 1.50% |
| \$300,000 – \$ 600,000 | 1.30% |
| \$600,000 – \$ 1,200,000 | 1.10% |
| \$1,200,000 – \$ 2,400,000 | 1.00% |
| \$2,400,000 – \$ 5,000,000 | 0.90% |
| \$5,000,000 – \$10,000,000 | 0.80% |
| Assets over \$10,000,000 | negotiable |

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 for friends, family and clients we, in our sole discretion, find to be beneficial to our business. Lower fees may also be negotiated with clients that allow a reduced scope and complexity of the services provided.

Clients who engaged the services of our investment adviser representatives while they were working at previous advisors will generally continue paying the fees they agreed upon at that advisor. When the fees at the previous adviser exceed the fees charged at Strait and Sound, clients will be asked to agree with the above-mentioned fee schedule.

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 in our Investment Management Agreement for us to deduct fees.
- You will receive a detailed invoice each quarter which includes the fee, the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based. This invoice will be sent to you at the same time a request for payment is sent to the Custodian.
- You will receive a statement from your custodian which shows all transactions in your account, including the deduction of our fee. We urge that you to compare this information with the fees listed in the account statement.
- 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 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.”

When a client relationship begins on other than the first day of a billing period, fees will be pro-rated based on the number of days the assets are managed, as described above.

Investment Consulting

Investment Consulting services are provided for no additional fee to our investment management clients. When Investment Consulting services are provided to clients who opt not to engage us for Asset Management services, we charge an hourly fee of \$500. Investment Consulting only clients 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 will provide copies of all prepared documents, reports, and calculations, if any, if requested.

Providing Investment Consulting services creates a conflict of interest because we would receive additional fees if you implement recommendations through us. You are under no obligation to implement recommendations that are part of the Investment Consulting services through Strait & Sound, or at all. You may use other brokers or agents that are not affiliated with us.

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

We are paid for our services by you only. We may receive discounts from other parties as described in Item 12: Brokerage Practices below because our clients’ accounts are custodied and traded there. We do

not receive other compensation for the sale of securities or other investment products, other than the proceeds from trading in our own personal and company accounts.

Cory Baer is also affiliated with various insurance agencies. If you elect to implement insurance recommendations through Mr. Baer, he will receive the normal and customary commissions. In these situations, a conflict of interest exists between the interests of the client and Strait & Sound. Clients of Strait & Sound are under no obligation to implement insurance recommendations through Mr. Baer.

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 analyze 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 household's 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 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. Your investments are subject to a risk of loss that you should be prepared to bear.

ITEM 9: DISCIPLINARY INFORMATION

In April of 2022, Daniel Barnes, Chief Investment Officer, was fined \$20,000 for transacting investment advisory business in the State of Washington for compensation without being registered while employed by Barnes Capital, Inc.

Other than mentioned above, neither Strait & Sound nor any management person has been the subject of any criminal or civil actions, administrative proceedings, or self-regulatory organization proceedings.

ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Affiliated persons of Strait & Sound are registered with unaffiliated investment advisors. It is expected that clients of these other investment advisers will eventually become clients of Strait & Sound. Both Strait & Sound recommend investments in mega cap, highly liquid securities. We do not have procedures for allocations of investment opportunities because of the high availability of the securities and the minimal change in price that is caused by trades placed for clients' accounts. We also don't expect that the order in which trades are placed will, in the long run, favor clients whose trades placed before others'.

Mr. Wu, Investment Adviser Representative is also the owner of a Commodity Trading Advisor.

Other than disclosed above, neither Strait & Sound nor any management persons are registered or have an application pending as a broker/dealer, futures commission merchant, commodity pool operating, commodity trading advisor or an associated person of any of these entities.

Strait & Sound does not recommend or select other investment advisors for you and receive compensation directly or indirectly from those advisors that creates a material conflict of interest, nor do we have other business relationships with other advisors that create a material conflict of interest.

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. Neither Strait & Sound nor an associated person recommends to clients, or buys or sells for client accounts, securities in which Strait & Sound or an associated person have a material interest. 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.

Neither Strait & Sound, nor any of its affiliated persons have affiliations or arrangements with issuers of securities that may be recommended to clients.

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.

We do not receive client referrals from the broker/dealers we select for transactions, or from the custodians we recommend to clients. Our investment adviser representatives are comfortable working with broker dealers that they have experience with, that meet the above description, and which they feel comfortable recommending to their clients. Even though Messrs. Sixt and Baer like to recommend that their clients use Charles Schwab & Co., Inc., and Mr. Barnes likes to recommend Pershing LLC, we will consider your preferences and needs in selecting appropriate broker dealers and custodians for your portfolio.

Aggregation of Orders

When investments held in multiple accounts need to be purchased or sold, these portfolio transactions will generally be executed as part of concurrent authorizations covering the same security for another client or one or more of our associated persons, as much as possible.

When we block (aggregate) trades for your account with those of other client accounts and personal accounts of persons associated with Strait & Sound, 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.

Not all trades can be aggregated, as different broker/dealers may be used for transactions in different clients' accounts. When this happens, some clients will pay a higher price for the same investment.

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

While we do not recommend (either in favor or against), request, or require that you designate a broker dealer, 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, and that this may cost you more money. If we believe, in our exclusive discretion, that we cannot satisfy our 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 each client's accounts at least annually. We compare the asset allocation to the clients' investment policy statement and household objectives. Reviews are performed by Todd Sixt, Cory Baer, Daniel Barnes, who are all principals of the firm, and Gil Wiseman, Li Guay, and Daniel Wu, who are Investment Adviser Representatives. We monitor the investments in our clients' accounts continuously for changes that would make them unsuitable, and will replace unsuitable investments when this occurs. Interim reviews are performed if we are notified of a change in the client's financial situation.

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. We recommend that you compare our invoices with the account statements you receive from your custodian.

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 attempt to honor these requests. Some investments we recommend to clients may have affiliations with industries and companies that are not easily determined.

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.