

Customer Relationship Summary

Watch Hill Financial Inc. is an SEC-registered investment adviser which provides investment advisory (rather than brokerage) accounts and services. Investment advisory services and fees differ from brokerage services and fees, and it is important for you to understand the differences. Free and simple tools are available to research firms and financial professionals at [Investor.gov/CRS](https://www.investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

What investment services and advice can you provide me?

We offer investment advisory services to retail investors. The Firm focuses on income planning, risk management, and comprehensive financial planning. Our clients typically include individuals and high net-worth individuals.

We offer discretionary portfolio management services. You grant us discretionary authority via our Investment Management Agreement. Discretionary management means we will make investment decisions and place buy or sell orders in your account without contacting you, based upon your stated investment objectives and subject to any reasonable restrictions you have placed.

If you engage us for portfolio management, we provide continuous and regular supervisory services to your accounts as part of our standard services. We will monitor your portfolio and make recommendations as market factors and your needs dictate. We will review your account at least annually to examine performance and compare to your stated investment objectives. We may conduct additional reviews as needed based on changes in economic conditions, changes in your financial situation or investment objectives, or upon request.

We do not limit our advice to particular securities, but we typically will review various stocks, mutual funds, and ETFs to identify which portfolio management style, and the percentage allocation, is appropriate for the client based on our research and the client's individual needs. We generally require a minimum of \$1,000,000 of assets under management for an individual account, but we may waive this minimum at our sole discretion.

For more detailed information about our services, please see Items 4 and 7 of our [ADV Part 2A](#).



ASK YOUR FINANCIAL PROFESSIONAL: Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

What fees will I pay?

For portfolio management services, you will pay an ongoing fee based upon a percentage of the market value of the assets being managed ("Advisory Fee"). The Advisory Fee is typically payable quarterly and is typically billed in advance. This Advisory Fee does not usually exceed 1.50% of the total assets you place under our management. For financial planning, you will pay either an hourly fee or fixed fee ("Planning Fee," collectively with "Advisory Fee," "Fees"). All Fees are negotiable at the firm's discretion on a case-by-case basis depending on the scope and complexity of the services, your situation, and your financial objectives.

Certain additional charges are not included in our Fees and must be paid separately by you. Examples of these additional charges include, but are not limited to, custodial fees, transaction fees, charges imposed directly by a mutual fund, index fund, or ETF purchased for your account, and fees imposed by variable annuity providers. We do not participate in any wrap fee programs. [Please see Item 5 of our Form ADV Part 2A for more information.](#)

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more detailed information about our fees and costs, please see Item 5 of our ADV Part 2A.

Our receipt of Fees for managing client accounts results in conflicts of interest. For example, with asset-based fees, the more assets there are in a client's advisory account, the more a client will pay in asset-based fees, and we therefore have an incentive to encourage clients to

increase the assets in their accounts. Please review Items 5 and 10 of our ADV Part 2A for detailed descriptions of conflicts of interest and how we address them.



ASK YOUR FINANCIAL PROFESSIONAL: Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

- We receive certain products and services from Schwab at no charge or at a discount (including software and other technology, business management and development resources, educational/business events, etc.). This presents a conflict of interest in that we have an economic incentive to recommend them based on our interest in receiving free and/or discount research or other products or services.
- We have an incentive to recommend clients use our affiliated accounting firm, Muth Financial, LLC. This conflict is addressed by application of our policies and procedures and ensuring that recommendations are in the best interest of the client. Accounting services may be available through other channels, including less expensive services.

For more examples of the ways we make money and the conflicts of interests we have, please see Items 10, 11, 12 and 14 of our [Form ADV Part 2A](#) "Brochure."



ASK YOUR FINANCIAL PROFESSIONAL: How might your conflicts of interest affect me, and how will you address them?

How Do Your Financial Professionals Make Money?

Our IARs are compensated via salary, discretionary distributions, and bonuses from the revenue earned by the Firm for advisory services. We do not pay incentives based on the number of clients or assets attributable to an IAR.

Do You or Your Financial Professionals Have Legal or Disciplinary History?

No. Visit [Investor.gov/CRS](https://investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.



ASK YOUR FINANCIAL PROFESSIONAL: As a financial professional, do you have any disciplinary history? For what type of conduct?

For more information about our investment advisory services or to request the most current version of this relationship summary, please go to <https://watchhillfinancial.com> or call our office at 804-587-0396.



ASK YOUR FINANCIAL PROFESSIONAL: Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?