Blue Water Capital Management, LLC
Firm Brochure - Form ADV Part 2A

This brochure provides information about the qualifications and business practices of Blue Water Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (919) 589-2528 or by email at: info@bluewaterportfolios.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. The Firm is registered with the SEC. Registration of an Investment Adviser does not imply a certain level of skill or training on the part of the Firm or its personnel.

Additional information about Blue Water Capital Management, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. Blue Water Capital Management, LLC's CRD number is: 127193.

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Version Date: 05/22/2024

Item 2: Material Changes

Since the last amendment of Blue Water Capital Management, LLC filed on 04/16/2024, the firm has made the following changes. Material changes relate to Blue Water Capital Management, LLC's policies, practices or conflicts of interest.

- The firm's SEC registration has been approved.
- Item 5: The firm's fees have been updated.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

Blue Water Capital Management, LLC (hereinafter "BWCM") is a Limited Liability Company organized in the State of California. The firm was formed in July 2007, and the principal owner is Terrance Anthony Green. The firm is registered with the SEC.

B. Types of Advisory Services

Portfolio Management Services

BWCM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. BWCM reviews the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Personal investment plan
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

BWCM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. BWCM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are determined through various methods such as conversation and experience with the client.

BWCM seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of BWCM's economic, investment or other financial interests. To meet its fiduciary obligations, BWCM attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, BWCM's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is BWCM's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent, including initial public offerings ("IPOs") and other investment opportunities that might have a limited supply, among its clients on a fair and equitable basis over time. BWCM may also allocate among one or more private equity funds or private equity fund advisers.

BWCM uses two third-party platforms, ByAllAccounts and Pontera, to facilitate management of held away assets such as defined contribution plan participant accounts. The platforms allow us to avoid being considered to have custody of client funds since we do not have direct access to client log-in credentials. We are not affiliated with the platforms in any way and receive no compensation from them for using their platform. A link will be provided to the client allowing them to connect an account(s) to one or both of the platforms. Once client account(s) is connected to the platform, BWCM will review the current account allocations. ByAllAccounts is used for non-discretionary management, meaning we can recommend trades to the client, but the client bears the responsibility of performing the trades. FeeX is used for discretionary management, where BWCM, when deemed necessary, will rebalance the account considering client investment goals, risk tolerance, and current economic and market trends.

BWCM may use DPL Financial Partners, LLC (“DPL”) for insurance product analysis and recommendations. The client is under no obligation to use DPL's service, and may seek insurance advice from any licensed agent. The insurance products and lower-cost fee structures available from DPL may differ from those available from other third-party insurance agents. BWCM does NOT receive compensation for insurance products selected by the client, whether secured through DPL or any other agent.

Financial Planning

Financial plans and financial planning may include, but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; and debt/credit planning.

In offering financial planning, a conflict exists between the interests of the investment adviser and the interests of the client. The client is under no obligation to act upon the investment adviser’s recommendation, and, if the client elects to act on any of the recommendations, the client is under no obligation to affect the transaction through the investment adviser. This statement is required by California Code of Regulations, 10 CCR Section 260.235.2.

Subscription Service

BWCM has a subscription service where clients can pay $25/month to have ongoing access to their online financial plan. The fee also covers any data updates. It does not cover ongoing advice.

Services Limited to Specific Types of Investments

BWCM generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, hedge funds, private equity funds, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities, venture capital funds and private placements, although BWCM primarily recommends portfolio of ETFs and mutual funds. BWCM may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

BWCM will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be executed by BWCM on behalf of the client. BWCM may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent BWCM from properly servicing the client account, or if the restrictions would require BWCM to significantly deviate from its standard suite of services, BWCM reserves the right to end the relationship.

D. Wrap Fee Programs

A wrap fee program is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and other administrative fees. BWCM does NOT participate in any wrap fee programs.

E. Assets Under Management

BWCM has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
$ 125,931,990	$ 2,078,429	April 5, 2024

Item 5: Fees and Compensation

A. Fee Schedule

Lower fees for comparable services may be available from other sources.

Portfolio Management Fees

Total Assets Under Management	Annual Fees
$0 - $1,000,000	0.80%
$1,000,001 - $3,000,000	0.65%
$3,000,001 - $5,000,000	0.50%
$5,000,001 - $10,000,000	0.30%
$10,000,001 - And Up	0.15%

The minimum fee is $2,000/quarter.

BWCM's advisory fee for services are either based upon a percentage (%) of the market value of the Total Assets Under Management, or a flat fee upon request.

Total Assets Under Management is defined as the assets that are included in the ADVISOR's portfolio management system. Assets include client accounts at TD Ameritrade/Schwab, and accounts at other custodians (401k plans, annuities, alternative investments, etc.) where client has permissioned access to BWCM for inclusion. To determine the market value of the assets upon which the advisory fee is based, BWCM uses either 1) an average of the daily balance in the client's account throughout the billing period, that accounts valuation change, deposits and withdrawals, or 2) the market value of the client's account as of the last business day of the billing period.

These fees are generally negotiable and the final fee schedule and valuation method will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of BWCM's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 5 days' written notice and be subject to a pro-rata advisory fee based on the number of days active in the current quarter.

Financial Planning Fees

Fixed Fees

The negotiated fixed rate for creating client financial plans is between $1,1,850 - $2,500 .

Hourly Fees

The negotiated hourly fee for these services is $350.
BWCM offers financial planning free of charge to certain clients, based on the assets under management, alongside portfolio management services. This relationship will be outlined in the client's contract.

Clients may terminate the agreement without penalty, for full refund of BWCM's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

Subscription Service Fees

The subscription service is $25/month to have ongoing access to an online financial plan.

B. Payment of Fees

Payment of Portfolio Management Fees

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis or may be invoiced and billed directly to the client on a quarterly basis. Fees are paid in arrears.

Payment of Financial Planning Fees

Financial planning fees are paid via check, or invoiced to the client to pay by credit card. Credit card payments are processed through a third party and credit card information is not stored or accessible to BWCM.

Fixed financial planning fees are paid 100% in advance, but never more than six months in advance.

Hourly financial planning fees are paid 100% in advance, but never more than six months in advance.

Payment of Subscription Service Fees

Clients pay via credit card which BWCM does not have access to. Both the service and credit card processing is handled by RightCapital.

C. Client Responsibility for Third Party Fees

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by BWCM. Please see Item 12 of this brochure regarding broker-dealer/custodian.

D. Prepayment of Fees

BWCM collects certain fees in advance and certain fees in arrears, as indicated above. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check or return deposit back into the client’s account.

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

E. Outside Compensation for the Sale of Securities to Clients

Neither BWCM nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

Item 6: Performance-Based Fees and Side-By-Side Management

BWCM does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

BWCM generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Charitable Organizations

There is no account minimum for any of BWCM's services.

Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

BWCM's methods of analysis include Modern Portfolio Theory.

Modern Portfolio Theory is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

Investment Strategies

BWCM uses long term trading and short-term trading.

BWCM may recommend unusually risky investments to clients. For example: We may recommend private equity, alternative investments, and other "riskier" investments for certain clients who meet the qualification standards, and who show an interest in such investments, if we feel it is appropriate and helps them reach their goals of investing.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

Methods of Analysis

Modern Portfolio Theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Short term trading risks include liquidity, economic stability, and inflation, in addition to the long-term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

Mutual Funds: Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

Equity investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Risks in investing in ETFs include trading risks, liquidity and shutdown risks, risks associated with a change in authorized participants and non-participation of authorized participants, risks that trading price differs from indicative net asset value (iNAV), or price fluctuation and disassociation from the index being tracked. Regarding trading risks, regular trading adds cost to your portfolio thus counteracting the low fees that one of the typical benefits of ETFs. Additionally, regular trading to beneficially "time the market" is difficult to achieve. Even paid fund managers struggle to do this every year, with the majority failing to beat the relevant indexes. Regarding liquidity and shutdown risks, not all ETFs have the same level of liquidity. Since ETFs are at least as liquid as their underlying assets, trading conditions are more accurately reflected in implied liquidity rather than the average daily volume of the ETF itself. Implied liquidity is a measure of what can potentially be traded in ETFs based on its underlying assets. ETFs are subject to market volatility and the risks of their underlying securities, which may include the risks associated with investing in smaller companies, foreign securities, commodities, and fixed income investments (as applicable). Foreign securities, in particular, are subject to interest rate, currency exchange rate, economic, and political risks, all of which are magnified in emerging markets. ETFs that target a small universe of securities, such as a specific region or market sector, are generally subject to greater market volatility, as well as to the specific risks associated with that sector, region, or other focus. ETFs that use derivatives, leverage, or complex investment strategies are subject to additional risks. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors. The return of an index ETF is usually different from that of the index it tracks because of fees, expenses, and tracking error. An ETF may trade at a premium or discount to its net asset value (NAV) (or indicative value in the case of exchange-traded notes). The degree of liquidity can vary significantly from one ETF to another and losses may be magnified if no liquid market exists for the ETF's shares when attempting to sell them. Each ETF has a unique risk profile, detailed in its prospectus, offering circular, or similar material, which should be considered carefully when making investment decisions.

Real estate funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

Annuities are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

Hedge funds often engage in leveraging and other speculative investment practices that may increase the risk of loss; can be highly illiquid; are not required to provide periodic pricing or valuation information to investors; May involve complex tax structures and delays in distributing important tax information; are not subject to the same regulatory requirements as mutual funds; and often charge high fees. In addition, hedge funds may invest in risky securities and engage in risky strategies.

Private equity funds carry certain risks. Capital calls will be made on short notice, and the failure to meet capital calls can result in significant adverse consequences, including but not limited to a total loss of investment.

Private placements carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

Venture capital funds invest in start-up companies at an early stage of development in the interest of generating a return through an eventual realization event; the risk is high because of the uncertainty involved at that stage of development.

Commodities are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

Non-U.S. securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

A. Criminal or Civil Actions

There are no criminal or civil actions to report.

B. Administrative Proceedings

There are no administrative proceedings to report.

C. Self-regulatory Organization (SRO) Proceedings

There are no self-regulatory organization proceedings to report.

Item 10: Other Financial Industry Activities and Affiliations

Neither BWCM nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Neither BWCM nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Neither BWCM nor its management persons have any relationships or arrangements that are material to the advisory business or any of our clients. Neither BWCM nor its management persons have any material relationships with related persons.

BWCM does not utilize nor select third-party investment advisers.

BWCM has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. BWCM's Code of Ethics is available free upon request to any client or prospective client.

B. Recommendations Involving Material Financial Interests

BWCM does not recommend that clients buy or sell any security in which a related person to BWCM or BWCM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of BWCM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of BWCM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. BWCM will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of BWCM may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of BWCM to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, BWCM will never engage in trading that operates to the client's disadvantage if representatives of BWCM buy or sell securities at or around the same time as clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

Custodians/broker-dealers will be recommended based on BWCM's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and BWCM may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in BWCM's research efforts. BWCM will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

BWCM will require clients to use Charles Schwab & Co., Inc. (Schwab).

We do not maintain custody of your assets that we manage or on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15—Custody, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank. We may recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we may recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open accounts for you, although we may assist you in doing so. Please read about potential conflicts of interest related to our recommendation of Schwab in Item 14 of this Brochure.

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. Certain trades (for example, many mutual funds and ETFs) may not incur Schwab commissions or transaction fees. Schwab is also compensated by earning interest on the uninvested cash in your account in Schwab's Cash Features Program. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How we select brokers/custodians").

Schwab Advisor Services™ is Schwab's business serving independent investment advisory firms like us. They provide us and our clients with access to their institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

Services that benefit you. Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services that may not directly benefit you. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements).
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts.
- Provide pricing and other market data.
- Facilitate payment of our fees from our clients' accounts.
- Assist with back-office functions, recordkeeping, and client reporting.

Services that generally benefit only us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events.
- Consulting on technology, compliance, legal, and business needs.
- Publications and conferences on practice management and business succession.
- Access to employee benefits providers, human capital consultants, and insurance providers.
- Marketing consulting and support.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment.

1. *Research and Other Soft-Dollar Benefits*

While BWCM has no formal soft dollars program in which soft dollars are used to pay for third party services, BWCM may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits"). BWCM may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and BWCM does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. BWCM benefits by not having to produce or pay for the research, products or services, and BWCM will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that BWCM's acceptance of soft dollar benefits may result in higher commissions charged to the client.

2. *Brokerage for Client Referrals*

BWCM receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

BWCM will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

B. Aggregating (Block) Trading for Multiple Client Accounts

BWCM does not aggregate or bunch the securities to be purchased or sold for multiple clients. This may result in less favorable prices, particularly for illiquid securities or during volatile market conditions.

Item 13: Review of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

All client accounts for BWCM's advisory services provided on an ongoing basis are reviewed at least annually by the servicing representative with regard to clients' respective investment policies and risk tolerance levels. All accounts at BWCM are assigned to their respective representative.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by the servicing representative. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, BWCM's financial planning services will generally conclude upon delivery of the financial plan, unless BWCM agrees to provide ongoing financial planning.

C. Content and Frequency of Regular Reports Provided to Clients

Each client of BWCM's advisory services provided on an ongoing basis will receive a quarterly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. BWCM will also provide periodic reports to the client.

Each financial planning client will receive the financial plan upon completion.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. We benefit from the products and services provided because the cost of these services would otherwise be borne directly by us, and this creates a conflict. You should consider these conflicts of interest when selecting a custodian. These products and services, how they benefit us, and the related conflicts of interest are described above (see Item 12—Brokerage Practices).

B. Compensation to Non – Advisory Personnel for Client Referrals

BWCM does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, BWCM will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

Item 16: Investment Discretion

BWCM provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, BWCM generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, BWCM's discretionary authority in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to BWCM).

Item 17: Voting Client Securities (Proxy Voting)

BWCM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

BWCM neither requires nor solicits prepayment of more than $1,000 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither BWCM nor its management has any financial condition that is likely to reasonably impair BWCM's ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

BWCM has not been the subject of a bankruptcy petition in the last ten years.