

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

Expires: February 28, 2011

Estimated average burden hours per response . . . 4.07

Name of Investment Adviser:

Aqua Investment Management, LLC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code

Telephone Number

1412 Broadway, Suite 2102

New York

NY

10018

212 381-7608

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Aqua Investment Management, LLC	SEC File Number: 801- 71766	Date: 12/13/2010
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**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |  |         |
|--|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services   | _____ % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services  | 50 %    |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above  | 50 %    |
| <input checked="" type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ % |
| <input checked="" type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ % |
| <input checked="" type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities  | _____ % |
| <input checked="" type="checkbox"/> (8) Provides a timing service  | _____ % |
| <input checked="" type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> (1) A percentage of assets under management      | <input checked="" type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                    | <input checked="" type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other                        |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |   |   |
|---|---|
| <input type="checkbox"/> A. Individuals                             | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations         |
| <input checked="" type="checkbox"/> B. Banks or thrift institutions | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                    | <input type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input type="checkbox"/> D. Pension and profit sharing plans        |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments** Applicant offers advice on the following: (check those that apply)

- |  |   |
|--|---|
| <p>A. Equity securities</p> <p><input type="radio"/> (1) exchange-listed securities</p> <p><input type="radio"/> (2) securities traded over-the-counter</p> <p><input type="radio"/> (3) foreign issuers</p> <p><input type="radio"/> B. Warrants</p> <p><input type="radio"/> C. Corporate debt securities<br/>(other than commercial paper)</p> <p><input checked="" type="radio"/> D. Commercial paper</p> <p><input type="radio"/> E. Certificates of deposit</p> <p><input type="radio"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="radio"/> (1) variable life insurance</p> <p><input type="radio"/> (2) variable annuities</p> <p><input type="radio"/> (3) mutual fund shares</p> | <p><input checked="" type="radio"/> H. United States governmental securities</p> <p>I. Options contracts on:</p> <p><input type="radio"/> (1) securities</p> <p><input type="radio"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="radio"/> (1) tangibles</p> <p><input type="radio"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="radio"/> (1) real estate</p> <p><input type="radio"/> (2) oil and gas interests</p> <p><input type="radio"/> (3) other (explain on Schedule F)</p> <p><input checked="" type="radio"/> L. Other (explain on Schedule F)</p> |
|--|---|

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |  |   |
|--|---|
| (1) <input type="radio"/> Charting               | (4) <input type="radio"/> Cyclical                      |
| (2) <input checked="" type="radio"/> Fundamental | (5) <input type="radio"/> Other (explain on Schedule F) |
| (3) <input checked="" type="radio"/> Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |  |   |
|--|---|
| (1) <input type="radio"/> Financial newspapers and magazines               | (5) <input type="radio"/> Timing services   |
| (2) <input type="radio"/> Inspections of corporate activities              | (6) <input type="radio"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="radio"/> Research materials prepared by others | (7) <input type="radio"/> Company press releases  |
| (4) <input checked="" type="radio"/> Corporate rating services             | (8) <input checked="" type="radio"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="radio"/> Long term purchases (securities held at least a year) | (5) <input type="radio"/> Margin transactions   |
| (2) <input checked="" type="radio"/> Short term purchases (securities sold within a year)  | (6) <input type="radio"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input type="radio"/> Trading (securities sold within 30 days)                         | (7) <input type="radio"/> Other (explain on Schedule F)   |
| (4) <input type="radio"/> Short sales  |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant: Aqua Investment Management, LLC	SEC File Number: 801- 71766	Date: 12/13/2010
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<b>5. Education and Business Standards.</b>	Yes No
Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....	<input checked="" type="radio"/> <input type="radio"/>
(If yes, describe these standards on Schedule F.)	

<b>6. Education and Business Background.</b>
For:
<ul style="list-style-type: none"> <li>each member of the investment committee or group that determines general investment advice to be given to clients, or</li> <li>if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)</li> <li>each principal executive officer of applicant or each person with similar status or performing similar functions.</li> </ul>
On Schedule F, give the:
<ul style="list-style-type: none"> <li>name</li> <li>year of birth</li> <li>formal education after high school</li> <li>business background for the preceding five years</li> </ul>

<b>7. Other Business Activities.</b> (check those that apply)
<input type="radio"/> A. Applicant is actively engaged in a business other than giving investment advice. <input type="radio"/> B. Applicant sells products or services other than investment advice to clients. <input checked="" type="radio"/> C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.
(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

<b>8. Other Financial Industry Activities or Affiliations.</b> (check those that apply)												
<input type="radio"/> A. Applicant is registered (or has an application pending) as a securities broker-dealer. <input type="radio"/> B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser. <input type="radio"/> C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:												
<table> <tr> <td><input type="radio"/> (1) broker-dealer</td> <td><input type="radio"/> (7) accounting firm</td> </tr> <tr> <td><input type="radio"/> (2) investment company</td> <td><input type="radio"/> (8) law firm</td> </tr> <tr> <td><input type="radio"/> (3) other investment adviser</td> <td><input type="radio"/> (9) insurance company or agency</td> </tr> <tr> <td><input type="radio"/> (4) financial planning firm</td> <td><input type="radio"/> (10) pension consultant</td> </tr> <tr> <td><input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant</td> <td><input type="radio"/> (11) real estate broker or dealer</td> </tr> <tr> <td><input type="radio"/> (6) banking or thrift institution</td> <td><input checked="" type="radio"/> (12) entity that creates or packages limited partnerships</td> </tr> </table>	<input type="radio"/> (1) broker-dealer	<input type="radio"/> (7) accounting firm	<input type="radio"/> (2) investment company	<input type="radio"/> (8) law firm	<input type="radio"/> (3) other investment adviser	<input type="radio"/> (9) insurance company or agency	<input type="radio"/> (4) financial planning firm	<input type="radio"/> (10) pension consultant	<input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="radio"/> (11) real estate broker or dealer	<input type="radio"/> (6) banking or thrift institution	<input checked="" type="radio"/> (12) entity that creates or packages limited partnerships
<input type="radio"/> (1) broker-dealer	<input type="radio"/> (7) accounting firm											
<input type="radio"/> (2) investment company	<input type="radio"/> (8) law firm											
<input type="radio"/> (3) other investment adviser	<input type="radio"/> (9) insurance company or agency											
<input type="radio"/> (4) financial planning firm	<input type="radio"/> (10) pension consultant											
<input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="radio"/> (11) real estate broker or dealer											
<input type="radio"/> (6) banking or thrift institution	<input checked="" type="radio"/> (12) entity that creates or packages limited partnerships											
(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)												
Yes No												
D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...	<input checked="" type="radio"/> <input type="radio"/>											
(If yes, describe on Schedule F the partnerships and what they invest in.)												

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

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Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☐ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.  
Please see Schedule F

B. Describe below the nature and frequency of regular reports to clients on their accounts.  
Please see Schedule F

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                       |                       |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? .....               | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? .....                   | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? .....                         | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                       |                       |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☐ No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  Aqua Investment Management, LLC	SEC File Number:  801- 71766	Date:  12/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Aqua Investment Management, LLC	IRS Empl. Ident. No.: 26-2043354
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Item of Form (identify)	Answer
1.C.6., 1.D.	<p><b>SERVICES</b></p> <p><b>PORTFOLIO MANAGEMENT</b></p> <p>Aqua Investment Management, LLC (hereinafter Aqua) provides continuous advice to clients regarding the investment of client funds in commercial mortgage-backed securities (CMBS) and other commercial real estate-related debt securities. Aqua will design and manage portfolios in accordance with a client's specific requirements for this sector. Aqua will not consider other investments held by the client in managing the client's portfolio. Aqua provides this service to individuals, investment companies, pension and profit sharing plans, corporations and other business entities.</p> <p>Aqua also acts as a sub-adviser for Wasmer Schroeder &amp; Co., Inc. ("Wasmer Schroeder"), an unaffiliated investment adviser.</p> <p>Aqua also manages Aqua Bluegate CMBS Venture II, LP, a limited partnership investing in CMBS and similar securities. Information on this fund is available to qualified investors in its offering documents.</p> <p><b>CONSULTING:</b></p> <p>Aqua provides advice on CMBS securities, collateralized debt obligations (CDOs) and similar securities and commercial real estate debt products to managers of hedge and private equity funds. Clients purchasing this service will receive Aqua's surveillance, valuation and reporting services on existing holdings. Aqua also provides advice on specific investments and on the sector as a whole.</p> <p>In addition, Aqua provides consulting and due diligence on investment opportunities in the CMBS/CDO and commercial real estate debt products markets.</p> <p><b>FEE SCHEDULE</b></p> <p><b>PORTFOLIO MANAGEMENT</b></p> <p>The annual fee for portfolio management services will be charged as a percentage of assets under management. Fees typically range from 0.5% to 1.5% of managed assets. A minimum of \$5,000,000 of assets under management is required for this service.</p> <p>The combined annual fee charged by Wasmer Schroeder and Aqua will range from 0.80% to 0.40% of managed assets, based on the size and complexity of the client's account. An exact fee will be negotiated by Wasmer Schroeder and quoted to each client at the start of the advisory relationship. Aqua will receive 50% of the negotiated fee. A minimum of \$1-2 million, based on the complexity of the client's requirements, is typically required for this service.</p> <p>Clients will be charged in advance at the beginning of each calendar quarter based upon the value</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  Aqua Investment Management, LLC	SEC File Number:  801- 71766	Date:  12/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Aqua Investment Management, LLC	IRS Empl. Ident. No.: 26-2043354
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Item of Form (identify)	Answer
	<p>(market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. Wasmer Schroeder clients will be billed in arrears at the end of each calendar quarter.</p> <p><b>PERFORMANCE BASED FEES</b></p> <p>In certain situations, Aqua may elect to charge a performance-based fee for its portfolio management services. This fee schedule is based on a percentage of assets under management plus a percentage of the difference between a client's account and that of an appropriate index. The index will be chosen by Aqua and the client based on the nature of the investment strategy to be used.</p> <p>The fees to be charged for this service will be determined by the client's individual circumstances and will never exceed 25% of the account's performance above an appropriate index. The actual fees will be disclosed to the client before entering into this type of arrangement. The percentage of assets under management will be billed quarterly, in advance. The performance based-fee will be billed annually, in arrears, upon the anniversary of the client's agreement.</p> <p>To qualify for this type of fee schedule, a client must either demonstrate a net worth of at least \$1,500,000 or must have at least \$750,000 under management.</p> <p>Clients who elect to terminate their contracts will be charged a performance-based fee based on the performance of the account for the measuring period going back from the termination date and pro-rated from the date on which the performance-based fee was last assessed.</p> <p>The measuring period is one year. In measuring the client's assets for the calculation of performance-based fees, Aqua shall include: for securities for which market quotations are readily available, the realized capital losses and unrealized capital losses of securities over the period and, if the unrealized capital appreciation of the securities over this period is included, the unrealized capital depreciation of securities over the period. If a client terminates prior to the end of the first measuring period, no performance-based fee will be charged.</p> <p>The performance-based fee may create an incentive for Aqua to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.</p> <p>Aqua may receive increased compensation with regard to unrealized appreciation as well as unrealized gains in the client's account (if applicable).</p> <p><b>CONSULTING</b></p> <p>Fees for Aqua's surveillance, valuation and reporting services are typically \$1500 per month per security. Clients will be charged in advance at the beginning of each calendar quarter.</p> <p>Should a client choose to invest in an opportunity based on Aqua's consulting and due diligence</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
Aqua Investment Management, LLC	801- 71766	12/13/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Aqua Investment Management, LLC	IRS Empl. Ident. No.: 26-2043354
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Item of Form (identify)	Answer
	<p>services, Aqua will charge the client a fee based on the fair market value (FMV) of the investment recommended by Aqua. Fees will range from 0.10% to 1.50% of the FMV above a certain floor agreed to by the client. The amount of the fee will be negotiated with each client based on the nature and complexity of the investment search. The payment schedule will be negotiated with each client.</p> <p>GENERAL INFORMATION ON FEES:</p> <p>Negotiability of Fees: In certain circumstances, Aqua's fees may be negotiable. Aqua may charge different clients receiving the same services different fees. The above fee schedules are the firm's basic fee schedules generally charged to clients absent negotiable circumstances.</p> <p>Fee Calculation: The fee charged is calculated as described above and, except for performance-based fees for certain portfolio management clients, is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).</p> <p>Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days prior written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.</p> <p>Mutual Fund Fees and Expenses: All fees paid to Aqua for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (typically cash sweeps) to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of Aqua.</p> <p>Accordingly, the client should review both the fees charged by the funds and the fees charged by Aqua to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.</p> <p>Proxies: As a matter of firm policy, Aqua does not vote proxies on behalf of clients. However, Aqua may provide clients with consulting assistance regarding proxy issues.</p> <p>Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.</p> <p>Aqua in General: This Schedule F narrative provides clients with information regarding Aqua and its advisory services that should be considered before becoming a client of Aqua. This narrative also provides information about the qualifications and business practices of Aqua. The information in this Schedule F narrative has not been approved or verified by the SEC or by any state securities authority. Any representation to the contrary is illegal. Additional information about Aqua is</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer
	<p>available on the Internet at “www.adviserinfo.sec.gov”. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Aqua is 154842.</p> <p>Privacy Policy: Aqua does not disclose any non-public, personal information (such as name, address or tax identification number) about its clients or former clients to anyone except as permitted by applicable law or required by regulation. Aqua maintains physical safeguards to protect such unauthorized disclosure and will notify clients of its policies and practices in this regard on an annual basis or at any time at which there is a material change in its policies which would require their consent. Aqua does not sell customer lists. Even if you are no longer a client of Aqua, our Privacy Policy will continue to apply to you. To conduct regular business, Aqua may collect non-public personal information from sources such as: (a) information provided by you on applications or other forms you provide to us; and/or (b) information about your investment and securities transactions.</p> <p>Class Actions, Bankruptcies and Other Legal Proceedings: Client’s should note that Aqua will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client’s account(s), including, but not limited to, the filing of “Proofs of Claim” in class action settlements. If desired, clients may direct Aqua to transmit copies of class action notices to the client or a third party. Upon such direction, Aqua will make commercially reasonable efforts to forward such notices in a timely manner.</p>
2.G.	<p>TYPES OF CLIENTS</p> <p>Aqua provides consulting services to managers of private equity funds and hedge funds.</p>
3.L.	<p>TYPES OF INVESTMENTS</p> <p>Aqua provides investment advice on CMBS, CDO and other comparable real estate-related debt securities.</p>
4.B.8.	<p>OTHER SOURCES OF INFORMATION</p> <p>Aqua also uses the services of data providers who aggregate data into easily-managed formats.</p>
5.	<p>EDUCATION AND BUSINESS STANDARDS</p> <p>Advisory persons associated with Aqua must possess, minimally, the following: A college degree and/or appropriate business experience and all required licenses. Typically, persons who provide advice for Aqua have demonstrated specialized knowledge in securities real estate investments.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of  
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Item of Form (identify)	Answer
6.	<p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p>KAREN KULVIN Born: 1970</p> <p>EDUCATION:</p> <p>BA, American Studies, Tufts University, 1992 MBA, Accounting, Boston University, 1993</p> <p>EMPLOYMENT HISTORY:</p> <p>CEO, Aqua Investment Management, LLC, 02/2008 to Present. Senior Vice President, Dividend Capital Group, 03/2006 to 02/2008. Unemployed, 12/2005 to 03/2006. Senior Vice President of Asset Management, Fortress Investment Group., 10/2003 to 12/2005. CMBS Secondary Credit Desk, Bear Stearns &amp; Co., 07/2002 to 10/2003. Acquisition and Asset Management, LNR Property Corporation, 02/1998 to 07/2002.</p> <p>ANDREW K. SMITH Born: 1980</p> <p>EDUCATION:</p> <p>BS with a concentration in Finance, Cornell University, 2002.</p> <p>EMPLOYMENT HISTORY</p> <p>President, Aqua Investment Management, LLC, 02/2008 to Present. Vice President and Senior Securities Analyst, Dividend Capital Group, 07/2006 to 02/2008. Senior Analyst, Fortress Investment Group, 12/2004 to 07/2006. Associate, Structured Finance CMBS Group, Ernst &amp; Young LLP, 09/2002 to 12/2004.</p>
7.C., 8.C.12., 8.D., 9.D., 9.E.	<p><b>OTHER BUSINESS ACTIVITIES, MATERIAL RELATIONSHIPS, PARTICIPATION OR INTEREST IN CLIENT ACCOUNTS.</b></p> <p>Aqua is an investment adviser to Aqua Bluegate CMBS Venture II, LP., and the Members of Aqua are officers of and have ownership interests in its general partner, Aqua Bluegate Ventures II GP, LLC. Clients are not solicited to invest in this partnership. Should any client already hold an interest in this partnership, investments in Aqua Bluegate CMBS Venture II, LP will not be included in calculating Aqua's advisory fees.</p> <p>The Members of Aqua will spend 75% of their time on Aqua's advisory activities.</p> <p><b>CODE OF ETHICS</b></p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  Aqua Investment Management, LLC	SEC File Number:  801- 71766	Date:  12/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Aqua Investment Management, LLC	IRS Empl. Ident. No.: 26-2043354
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Item of Form (identify)	Answer
10.	<p>Aqua has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. Aqua's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients, and sets forth Aqua's practice of supervising the personal securities transactions of supervised persons with access to client information. Individuals associated with Aqua may buy or sell securities for their personal accounts identical to or different than those recommended to clients. It is the expressed policy of Aqua that no person employed by Aqua shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on the investment decisions of advisory clients.</p> <p>To supervise compliance with its Code of Ethics, Aqua requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holdings reports and quarterly transaction reports to the firm's Chief Compliance Officer. Aqua requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).</p> <p>Aqua requires that all individuals must act in accordance with all applicable</p> <p>Federal and State regulations governing registered investment advisory practices. Aqua's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. Any individual not in observance of the above may be subject to discipline.</p> <p>Aqua will provide a complete copy of its Code of Ethics to any client or prospective client upon request to the Chief Compliance Officer at Aqua's principal address.</p> <p><b>CONDITIONS FOR MANAGING AN ACCOUNT</b></p> <p>Aqua recommends a minimum account of \$5,000,000 for Portfolio Management clients. Aqua recommends a minimum of \$1 million to \$2 million for Wasmer Schroeder clients, based on the nature and complexity of the client's circumstances.</p> <p>Aqua requires a minimum fee of \$1500 per month for clients purchasing surveillance, valuation and reporting services.</p> <p>Account fees and minimums may be negotiable. Please refer to Item 1.D. of this Schedule F narrative for complete detail.</p>
11.A.	<p><b>REVIEWS AND REVIEWERS OF ACCOUNTS</b></p> <p>Accounts of Portfolio Management clients will be reviewed at a frequency to be determined at the inception of the advisory relationship. More frequent reviews may be triggered by market, economic, or political events, or by changes in the client's situation.</p> <p>Consulting accounts will be reviewed at a frequency to be determined at the inception of the advisory relationship.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  Aqua Investment Management, LLC	SEC File Number:  801- 71766	Date:  12/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Aqua Investment Management, LLC	IRS Empl. Ident. No.: 26-2043354
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Item of Form (identify)	Answer
11.B.	<p>Accounts are reviewed by Aqua's CEO and/or President.</p> <p><b>REGULAR REPORTS PROVIDED TO CLIENTS</b></p> <p>Portfolio Management clients will receive quarterly reports detailing a portfolio overview, account performance, and current holdings.</p> <p>Consulting accounts will determine what regular reports will be received at the inception of the advisory relationship.</p>
12.A.1-4, 12.B.	<p><b>INVESTMENT OR BROKERAGE DISCRETION</b></p> <p>For Portfolio Management clients, Aqua requires that it be provided with written authority to determine which securities are bought or sold, the amounts of securities that are bought or sold, the broker or bank to be used, and the commissions (if any) to be paid.</p> <p>Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.</p> <p>Aqua will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions are based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Aqua in providing investment management services to clients. Aqua may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.</p> <p>In the event that a client directs Aqua to use a particular broker or dealer, it should be understood that under those circumstances Aqua will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients. Aqua may not accept a client if the use of the client's designated broker will impair Aqua's ability to efficiently manage the account.</p> <p>Aqua recommends the use of BNY/Mellon for custodial services. Clients may designate the use of another custodian; however, Aqua may not accept the client if the use of that custodian will impair Aqua's ability to efficiently manage the client's account.</p> <p>Aqua will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 7

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:  Aqua Investment Management, LLC	SEC File Number:  801- 71766	Date:  12/13/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: Aqua Investment Management, LLC	IRS Empl. Ident. No.: 26-2043354
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Item of Form (identify)	Answer
13.B.	<p>included in any such block. Exceptions to pro-rata allocations may occur based on such factors as the amount of cash available in a client's account. Block trading allows Aqua to execute trades in a timelier, equitable manner and to reduce overall commission charges to clients. Allocations are determined prior to placing a trade with a client and will only be changed after the trade is placed when consistent with the particular needs of the client. Aqua may include transactions for its related persons in blocks with client trades, provided that Aqua's related persons do not receive more favorable treatment than any client.</p> <p>CONSULTING:</p> <p>Aqua's consulting practice does not include placing trades on behalf of advisory clients. Aqua does not recommend any particular broker or custodian to consulting clients, but may share its experiences and knowledge of brokerage and custodial firms with its clients.</p> <p>PAYMENT FOR CLIENT REFERRALS</p> <p>Aqua may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. Aqua is aware of the special considerations promulgated pursuant to Rule 206(4)-3 under the Investment Advisers Act of 1940. As such, appropriate disclosure shall be made, all written instruments will be maintained by Aqua and all applicable Federal and/or State laws will be observed.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 8