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Form ADV Part 2
March 15, 2012

This brochure provides clients and prospective clients with information about Aqua Capital Advisors LLC and the qualifications, business practices, and nature of its services that should be carefully considered before becoming an advisory client.

The contents of this brochure have not been approved or verified by the Securities and Exchange Commission, hereinafter the "SEC," or any other state or federal authority. While the firm is an investment advisor registered with the SEC, it does not imply a certain level of skill or training on the part of the firm or its associated personnel.

If you have questions about the contents of this advisory brochure, please contact Aqua Capital Advisors LLC at (310) 461-1601. Additional information about the firm or an associate is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes:

The firm has amended its September 19, 2011 ADV Part 2 due to an update to its reportable assets under management as of its fiscal year-end (see Item 4), in addition to a format modification. No material changes have occurred.

The firm may at any time update this document and either send a copy of its updated brochure or provide a summary of material changes to its brochure and an offer to send an electronic or hard copy form of the updated brochure. Clients are also able to download this brochure from the SEC's Website: www.adviserinfo.sec.gov or you may contact our firm at (310) 461-1601.

As with all firm documents, clients and prospective clients are encouraged to review this brochure in its entirety and are encouraged to ask questions at any time prior to or throughout the engagement.

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This brochure contains 22 pages and should not be considered complete without all pages.

Item 4 - Advisory Business

Aqua Capital Advisors LLC ("Aqua Capital Advisors" or the "firm"), founded in 2009, is a California-domiciled and SEC-registered investment advisor. Jeff Fang, CFP® is the firm's managing member and trustee of the Fang Family Trust, which is the sole shareholder. More information on Mr. Fang's background may be found in the accompanying ADV Part 2B supplement included at the end of this brochure.

The firm provides fee-only financial planning, investment consultation and management services that, depending upon each client's unique circumstances or specific request, may be general in nature or focused on particular areas of interest or need.

An estimated 65% of the firm's activities involve providing continuous supervision and consultation with respect to the investment of client assets; 10% engaged in managing client investment advisory accounts not involving investment supervisory services; and the remaining 25% of the firm's efforts are oriented toward "non-securities advice," such as issues with respect to expense budgeting and savings, education, insurance, charitable and philanthropic strategies and planning, estate planning, and real estate, among others. The firm does not sponsor or serve as portfolio manager for a wrap fee investment program. The firm provides investment supervisory services to both discretionary and non-discretionary accounts, and as of December 31, 2011, it managed over \$35.6 million in client assets.¹

The Fiduciary Standard

Aqua Capital Advisors holds itself to a *fiduciary standard*, which means the firm and its associates will act in the utmost good faith and perform in a manner believed to be in the best interest of its clients. As an investment advisor, the firm is legally required to put the client's interests first. This fiduciary standard sets investment advisors apart from investment brokers, who are held to a lower "suitability" standard and are not legally required to place clients' interests ahead of their own, or to disclose their conflicts of interest involving their clients' transactions.

Introductory Review

A complimentary interview is conducted by a qualified representative of the firm to determine the scope of services to be provided. Prior to or during the initial meeting, a current ADV Part 2 brochure and Privacy Policy will be provided to the client. Should the client wish to engage Aqua Capital Advisors for its services, parties must enter into a written agreement, with further discussion and analysis conducted thereafter to ascertain financial goals, needs, holdings, etc., as provided by the client. Financial advice and/or plans are based upon the information disclosed by the client or their legal agent and incorporate the client's financial situation at the time the plan is presented. In performing its services the firm may, but is not required to, verify any information received from the client or from the client's agents.

Electronic Delivery of Documents

In an effort to transmit information as quickly as possible and keep operating costs low, Aqua Capital Advisors reserves the right to send all documents and information electronically to firm Clients. Such documents and information include, but are not limited to, investment advisory agreements, account information, ADV, forms,

¹The term "assets under management" and rounding to the nearest \$100,000 are as defined by the SEC's 2010 *General Instructions for Part 2 of Form ADV*.

performance reports, invoices, disclosures, and various types of client communications. Delivery mechanisms may include electronic mail (e-mail), the firm's website, and secure data transmission services. The sending of the electronic messages and/or information constitutes delivery of the information, regardless of whether the client chooses to read or review it.

The client must keep a current, valid e-mail address and update Aqua Capital Advisors immediately if an e-mail address or any other contact information changes. The client may opt-out of or revoke consent to electronic delivery at any time by providing written notice to the firm.

Financial Planning and Investment Consultation Services

The firm offers financial planning and investment consultation services. Financial planning is the process of developing a strategy or program to assist in the achievement of at least one financial goal or need. The process starts by gathering and analyzing relevant financial data, client values and goals, and it results in an action plan or recommendations, including acknowledgement of other financial issues that may deserve attention.

Advice may be provided on the following subjects, but are not limited to:

- Financial statement preparation and analysis (including cash flow analysis/planning and budgeting)
- Insurance planning and risk management
- Employee benefits planning
- Investment planning
- Income tax planning
- Retirement planning
- Estate planning
- Or other needs as indicated by the client

The firm typically employs a long term investment perspective, unless the client specifically requests the firm to do the contrary.

The typical process of financial planning involves the following steps:

Financial Planning Engagement:

1. Establish and define the client-planner relationship
2. Gather client data, including goals
3. Analyze and evaluate the client's financial status
4. Develop and present financial planning recommendations and/or alternatives

Ongoing Financial Planning Relationships:

5. Implement the financial planning recommendations
6. Monitor the financial planning recommendations

When financial planning or investment consultation services focus only on certain areas of client interest, the client is hereby informed that their overall financial situation or needs may not be fully addressed due to limitations they have established for the firm. The client retains absolute discretion over all implementation

decisions and is free to accept or reject any recommendation made by the firm. Further, it remains each client's responsibility to promptly notify Aqua Capital Advisors if there is a material change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising the firm's recommendations or services.

The firm does not provide accounting, legal, or property and casualty insurance advice. With the client's consent, the firm may work with the client's other advisors (accountants, attorney, etc.) to assist with coordination and implementation of accepted strategies. The client should be aware that their other advisors may bill them separately for their services, and these fees will be in addition to those of the Aqua Capital Advisors.

Engagements involving financial planning and investment consultation services may be concluded upon delivery of the requested service; however, the client is encouraged to engage the firm in the future. Periodic reviews are recommended and it is assumed the client's responsibility to initiate these meetings. Unless Aqua Capital Advisors is engaged for ongoing services, pursuant a written agreement or addendum that includes review and updates, it would be the client's responsibility to request these additional services under a new agreement.

Speaking Engagements

Appropriately trained and registered associated personnel of Aqua Capital Advisors may provide speaking engagements on an "as announced" basis for groups desiring general advice on investments and personal finance. Topics may include issues related to wealth management, financial planning, retirement strategies, or various other economic and investment topics. Such programs are educational in nature and do not involve the solicitation of an investment product; nor will information presented or discussed to a general audience be based upon the individual needs of an attendee.

Investment Supervisory Services

Aqua Capital Advisors provides investment supervisory services to its clients through customized portfolios deemed appropriate to the client's investment objectives and tolerance for risk. Where practical, the firm will assist the client in preparing an investment policy statement (IPS), or similar document, reflecting the client's investment objectives, time horizon, risk tolerance, as well as policy or investment constraints. The IPS will be designed to be specific enough to provide guidance to the firm while concurrently allowing flexibility to respond to changing market conditions. Since the IPS will to a large extent be a product of information and data provided by the client, the client shall be responsible for review and final approval of the statement.

Each portfolio is customized based on the needs of the client. The firm generally employs a "Core + Satellite" investment strategy which is described in further detail in Item 8 of this brochure. Existing positions within a client account containing various holdings will be evaluated and maintained when deemed appropriate. The firm will rebalance portfolios in an attempt to maintain optimal allocation while minimizing tax exposures and transactional costs.

Item 5 - Fees and Compensation²

Financial Planning and Investment Consultation Services

The firm offers a fixed fee arrangement for financial planning that generally ranges from \$5,000 to \$10,000. Fixed fees are typically based on the complexity of the client's issues and the anticipated number of hours estimated to provide the requested services. Services to be provided and the anticipated fee range are detailed in the written agreement.

Aqua Capital Advisors may require an initial retainer of up to one-half the uppermost estimated engagement fee in order to initiate financial planning or investment consultation services projects. Any fees or project balances for financial planning and investment consultation services are due and payable upon delivery of the plan or advice.

On occasion, investment consultation services are offered at a rate of \$250 per hour, billed in six-minute increments, and a partial increment will be treated as a whole. The number of hours to complete the plan or delivery of advice will be estimated and will depend on the level and scope of services required.

Fees for these services are negotiable at the discretion of the firm principal. Additionally, should a client elect to further engage the firm to provide investment supervisory services, certain financial planning fees during the initial engagement year may be waived at the discretion of a firm principal.

Speaking Engagements

While most of the speaking engagements are provided *pro bono*, certain programs or seminars may require fees to be assessed. Such fees will be negotiated with the engagement sponsor or announced to attendees in advance, and typically a fixed amount paid at the time of the presentation.

Investment Supervisory Services

An annualized asset-based fee is assessed on those accounts for which the firm provides investment supervisory services. This fee is calculated based on blending the tiers noted in the following table:

Household Assets Under Management	Annual Advisory Rate
Up to \$1,000,000	1.25%
Next \$1,000,001 to \$5,000,000	0.85%
Next \$5,000,001 to \$10,000,000	0.75%
over \$10,000,001	0.65%

For example, an account with a value of \$1.25 million would be assessed a blended fee that included the first \$1 million of assets at a rate of 1.25% and the remaining \$250,000 at .85%, or a total *blended* advisory services fee of \$3,656.25 per quarter.

²Aqua Capital Advisors LLC reserves the right (but is not obligated) to assess a lower fee to those clients who had engaged the firm prior to January 1, 2011, in addition to related persons accounts maintained by the firm through its selected custodian.

The firm may modify the fee terms in this section prospectively on at least 30 days prior written notice to its clients. Notwithstanding the above, fees are negotiable at the discretion of a firm principal. Lower fees for comparable services may be available from other sources.

Household Accounts

At its discretion, the firm may aggregate accounts (including multiple accounts) for the same individual or two or more "household accounts" within the same family, or accounts where a family member has power of attorney over another family member's account. Should investment objectives be substantially different for any two or more household accounts, requiring different investment approaches, the firm reserves the right to apply its fee schedule separately to each account.

Billing Cycle and Fee Assessments

An annualized asset-based fee is assessed and charged quarterly in arrears, based on the value of the accounts at quarter end. Fees will be calculated based on the Fee Schedule listed in this Brochure and also in the client's investment advisory agreement.

Fees for partial quarters at the commencement or termination of the advisory agreement will be billed on a pro-rated basis contingent on the number of days the agreement was in effect during the quarter.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by the advisor whose determination shall be conclusive. The firm may modify the terms in this section prospectively on at least 30 days prior written notice. Notwithstanding the above, fees are generally negotiable at the discretion of the firm principal.

All investment management fees will be paid out of the assets in the account per the current fee schedule. The client bears responsibility for verifying the accuracy of fee calculations provided by the firm.

Potential Additional Client Fees

Specific product recommendations made by the firm will usually be for "no-load" (i.e., no commission) products, if available. In some cases, such as with insurance products, there may not be a suitable selection of no-load products available for recommendation, however, neither the firm nor its associates will be paid a commission on the purchase.

Any transactional or custodial fees assessed by the selected custodian or clearing firm and/or individual retirement account or qualified retirement plan account termination fees are borne by the client and are as provided in the current, separate fee schedule of the selected service provider.

Fees paid to the firm for its services are separate from any charges the client may pay for mutual funds, exchange-traded funds (ETFs), exchange-traded notes (ETNs), or other investments of this type. The firm does not receive "trailer" or 12b-1 fees from any investment company. Fees charged by the companies are detailed in prospectuses or product descriptions provided to the client. Clients are encouraged to read these documents

before investing. Clients may also incur fees or charges for administration or transactions by fund companies or broker/dealers. Aqua Capital Advisors receives none of these fees or charges.

You will always have the option to purchase recommended investments through your selected service provider.

Further information about our fees in relationship to our business practices are noted in Items 12 and 14 of this document.

Termination of Services

Either party may terminate a client agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the investment advisory agreement. After five (5) business days, clients will receive a pro-rata refund, which takes into account work completed by Advisor on behalf of the client. The client will incur charges for bona fide advisory services rendered to the point of termination, and such fees will be due and payable by the client.

Termination of an agreement will not affect (i) the validity of any action previously taken by the firm under this agreement; (ii) liabilities or obligations of the parties from transactions initiated before termination of the agreement; or (iii) the client's obligation to pay advisory fees (pro-rated through the date of termination). Upon the termination of the agreement, the firm will have no obligation to recommend or take any action with regard to the securities, cash or other investments in the client's account.

Firm Services

The firm will use its best judgment and good faith effort in rendering its services to its clients. Aqua Capital Advisors cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Past performance is not necessarily indicative of future results.

Except as may otherwise be provided by law, the firm will not be liable to the client, heirs, or assigns for any loss an account may suffer by reason of an investment decision made or other action taken or omitted in good faith by the firm with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; any loss arising from the firm's adherence to the client or their legal agent's direction; or any act or failure to act by a service provider maintaining an account.

Notwithstanding the preceding, nothing within the client services agreement is intended to diminish in any way the firm's fiduciary obligation to act in the client's best interest or shall in any way limit or waive any client rights have under federal or state securities laws or the rules promulgated pursuant to those laws.

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

The firm's investment management services fees will not be based upon a share of capital gains or capital appreciation of the funds or any portion of funds of an advisory contract, also known as performance-based fees. Aqua Capital Advisors prohibits any affiliated entity or employee to engage in or benefit from side-by-side investment management arrangements, often reflective of managing a hedge fund or other similarly pooled fund.

Item 7 - Types of Clients

The firm provides its services primarily to individual investors, but also may occasionally work with pensions and profit sharing plans, trusts, estates, and charitable organizations. Clients are expected to provide an adequate level of information and supporting documentation to the firm throughout the term of the engagement. This allows the firm to determine the appropriateness of its financial planning and/or investment strategy for the client and/or account; source of funds and/or income levels, client or legal agent's authority to act on behalf of the account, among others.

Generally, the minimum account size of \$1,000,000 is imposed by the firm for investment management services. Financial planning engagements, where an hourly or fixed fee is paid, do not require minimum dollar value of assets or other conditions. Aqua Capital Advisors reserves the right to waive certain fees based on unique individual circumstances, special arrangements, pre-existing relationships or as otherwise may be determined by a firm principal. The firm also reserves the right to decline services to any prospective client for any reason.

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

Methods of Analysis

When Aqua Capital Advisors is engaged to provide financial planning, investment consultation or investment supervisory services, the client's current financial situation, needs, goals, objectives and tolerance for risk is evaluated. Asset allocation and investment policy decisions are made and discussed with the client to, in the firm's best judgment, meet the client's objectives while minimizing risk exposure.

The firm employs what it believes to be an appropriate blend of fundamental, technical and cyclical factors. The firm evaluates the risk, return, and correlation of asset classes, sub-asset classes, and specific markets as a basis for a portfolio. In addition, the firm monitors market trends, economic cycles, fundamental values and other factors. By combining these, along with the clients' individual situation, a customized portfolio strategy is developed.

Research may be drawn from publicly available reports, market analysis and research materials; computerized asset allocation modeling programs, Monte Carlo analysis and various subscription services.

Investment Strategies

Generally, portfolios are constructed by the firm based upon a Core + Satellite structure. This strategy blends passive (or index) and active investing; where passive investments are used as the basis or "core" of a portfolio and actively-managed investments are added as "satellite" positions. With this strategy, the portfolio core holdings are indexed to potentially more efficient asset classes; while outlying satellite selections are generally limited to active managers that are attempting to outperform a particular category, or a selection of particular positions to increase core diversification, or to improve portfolio performance.

The index-based core portfolio provides: inexpensive exposure to broad markets, diversification, low tax cost. The investment horizon for the core is typically in the 3 to 7 year range, but may be less in "non-normal" markets, sometimes referred to as fat tail risk. In contrast, the satellite portfolio utilizes active management, which attempts to outperform a market, sector, or benchmark over a shorter duration (often less than 3 years) using fundamental analysis, technical factors, or other means.

Portfolios may also include a broader range of *existing* mutual fund positions, ETNs, individual securities, derivatives, and non-correlating asset classes. Individual securities may include common or preferred stocks, bond debentures, U.S. Government issues, notes, commercial paper, etc. Derivatives typically refer to options, futures and swaps that may be used to hedge risk or to exchange a floating rate of return for fixed rate of return. Non-correlating assets also include commodities, managed futures funds, private equity and real estate that may be employed to enhance the diversity of a portfolio; typically acting as a counterbalance should investments within a portfolio of stocks and bonds fall in value. This is not an all-inclusive list.

In limited circumstances, the firm may engage in shorter-term investment strategies when requested by the client.

Risk of Loss

While Aqua Capital Advisors believes its strategies and investment selection is designed to potentially produce the highest possible return for a given level of risk, it cannot warrant or guarantee that an investment objective or planning goal will be achieved. Some investment decisions made by the firm and/or client may result in loss, which may include the original principal invested. The client must be able to bear the various risks involved in the investment of account assets, which may include market; currency, interest rate, liquidity, operational or political risk, among others.

When the firm's research and analyses is based upon commercially available software, rating services, general market and financial information, or due diligence reviews, the firm is relying upon the accuracy and validity of the information or capabilities being provided by selected vendors, rating services, market data, and the issuers themselves. The firm makes every effort to determine the accuracy of the information received but it cannot foretell events or actions taken or not taken, or the validity of all information it has researched or provided which may or may not affect the advice to or investment management of a client account or financial plan.

Strategies involving Core + Satellite investing may have the potential to be affected by "active risk" or "tracking error risk," which might be defined as a deviation from the stated benchmark. Since the core portfolio attempts to closely replicate a stated benchmark, the source of the tracking error or deviation may come from a satellite portfolio or position, or from a "sample" or "optimized" index ETF that may not as closely align the stated benchmark. In these instances, the firm may choose to reduce the weighting of a satellite holding; utilize very active satellites, or use a "replicate index" ETF as part of its core holdings to minimize the effects of the tracking error in relation to the overall portfolio.

When employing an efficient markets strategy, an investor should consider the potential risk that their broader allocation may generate lower-than-expected returns than that from a specific asset, and that the risk on each type of asset is a deviation from the average return from the asset class. The firm believes this variance from the "expected return" is generally low under normal market conditions if the portfolio is made up of diverse, non-correlated assets.

Further, while many ETFs/ETNs are known for their potential tax-efficiency and higher "qualified dividend income" (QDI) percentages, there are certain asset classes or holding periods within an ETF/ ETN that may not benefit. Shorter holding periods and certain commodities and currencies may be considered nonqualified and the holding's QDI will be considered if tax efficiency is an important aspect of the portfolio.

Although not a common practice of the firm; those accounts that require the employment of more frequent trading strategies may result in additional transactional costs or create taxable events that will be borne by the client, and potentially reducing or negating any benefit derived by shorter term investing.

Item 9 - Disciplinary Information

Neither Aqua Capital Advisors nor any of its associated personnel have been the subject of a reportable legal or disciplinary event pursuant the Investment Advisers Act or similar state statute.

Item 10 - Other Financial Industry Activities and Affiliations

Neither Aqua Capital Advisors nor its associated persons are affiliated with or maintain a material relationship or arrangement with another financial industry entity. The firm's policies require it and its personnel to conduct business activities in a manner that avoid actual or potential conflicts of interest between the firm, employees and clients, or that may otherwise be contrary to law. The firm will provide disclosure to its client prior to and throughout the term of an engagement of any conflicts of interest which will or may reasonably compromise its impartiality or independence.

Investment advisor representatives of the firm may be individual members of the Certified Financial Planner Board of Standards, Inc., or other firm-approved professional associations, where their information may be available on an association's websites for public view.

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

Code of Ethics

The firm has adopted a Code of Ethics that sets forth the policies of ethical conduct for all personnel and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulation but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. The firm's policies include the prohibition against insider trading, circulation of rumors, certain political contribution activities, among others.

Firm personnel that are CFP® designees must also adhere to the Certified Financial Planner Board of Standards and Code of Ethics. These principles include:

Principle 1 – Integrity

An advisor will provide professional services with integrity. Integrity demands honesty and candor which must not be subordinated to personal gain and advantage. Advisors are placed by clients in positions of trust by clients, and the ultimate source of that trust is the advisor's personal integrity. Allowance can be made for innocent error and legitimate differences of opinion; but integrity cannot co-exist with deceit or subordination of one's principles.

Principle 2 – Objectivity

An advisor will provide professional services objectively. Objectivity requires intellectual honesty and impartiality. Regardless of the particular service rendered or the capacity in which an advisor

functions, an advisor should protect the integrity of their work, maintain objectivity and avoid subordination of their judgment.

Principle 3 – Competence

Advisors will maintain the necessary knowledge and skill to provide professional services competently.

Competence means attaining and maintaining an adequate level of knowledge and skill, and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation with other professionals is appropriate or referral to other professionals necessary. Advisors make a continuing commitment to learning and professional improvement.

Principle 4 – Fairness

Advisors will be fair and reasonable in all professional relationships. Fairness requires impartiality, intellectual honesty and disclosure of material conflict(s) of interest. It involves a subordination of one's own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests. Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Principle 5 – Confidentiality

Advisors will protect the confidentiality of all client information. Confidentiality means ensuring that information is accessible only to those authorized to have access. A relationship of trust and confidence with the client can only be built upon the understanding that the client's information will remain confidential.

Principle 6 – Professionalism

Advisors will act in a manner that demonstrates exemplary professional conduct. Professionalism requires behaving with dignity and courtesy to all who use their services, fellow professionals, and those in related professions. Advisors cooperate with fellow advisors to enhance and maintain the profession's public image and improve the quality of services.

Principle 7 – Diligence

Advisors will provide professional services diligently. Diligence is the provision of services in a reasonably prompt and thorough manner, including the proper planning for, and supervision of, the rendering of professional services.

Due to the nature and scale of the firm, not all organizational duties are segregated; however, the firm employs policies and procedures to ensure timely recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary.

All material conflicts of interest are disclosed to clients prior to and throughout the term of an engagement that will or may reasonably compromise the firm's impartiality or independence.

The firm periodically reviews and amends its Code of Ethics to ensure currency; all firm access persons are required no less than annually to attest to their understanding and adherence.

Aqua Capital Advisors will provide of copy of its Code of Ethics to all clients and prospective clients upon request.

Privacy Policy

A copy of the firm's privacy policy notice will be provided to each client prior to, or contemporaneously with, the execution of an engagement agreement. The firm will notify its clients annually of its privacy policy and at any time, in advance, if its policy is expected to change.

Participation or Interest in Client Transactions

Neither Aqua Capital Advisors nor any related person are authorized to recommend to a client, or effect a transaction for a client, involving any security in which the firm or a related person has a material financial interest, such as in the capacity as an underwriter, advisor to the issuer, etc.

Employees are prohibited from taking or providing a loan from a client unless it is an approved financial institution or the natural person is an immediate family member.

The firm recognizes that should it act as the advisor to the sponsor of an ERISA-qualified retirement plan (i.e., 401(k) or pension plan) and one of its investment advisor representatives performs in an advisory capacity with one or more of the plan's participants, a potential or implied conflict of interest may occur. The firm may require its employee to cease in this plan participant advisory capacity or, upon disclosure to and approval from the plan sponsor, allow the dual advisory role to continue and with consideration made to offset participant fees.

As noted in Item 4 of this disclosure, Aqua Capital Advisors provides financial planning, investment consultation and investment supervisory services to its clients on a fee-only basis. Due to firm offering all of these services to a client, a potential conflict of interest may exist. Therefore, the client is under no obligation to act upon the firm's recommendations. If the client elects to act on any of the firm's recommendations, they are under no obligation to effect the transaction through Aqua Capital Advisors.

Personal Trading

The firm and its related persons may buy or sell securities similar to those recommended to clients for their accounts. The firm may also make recommendations or take action with respect to investments for its clients that may differ in nature or timing from recommendations made to or actions taken for other clients or its employees. However, at no time will Aqua Capital Advisors or any related party receive preferential treatment over its clients.

In an effort to reduce or eliminate certain conflicts of interest involving personal trading, firm policy may require the utilization of published lists that restrict or prohibit transactions in specific reportable securities transactions. Any exceptions or trading pre-clearance must be approved by the firm's Chief Compliance Officer in advance of the transaction in any related person's account. The firm maintains the required personal securities transaction records per regulation.

Item 12 - Brokerage Practices

Aqua Capital Advisors is not affiliated with any bank, custodian, or broker-dealer firm ("service provider").

When engaged to provide investment supervisory services, the firm may first offer to use the service provider with whom the prospective client's assets are currently maintained. Should the client prefer a new custodian, the firm will suggest the institutional services division of Charles Schwab and Co., Inc. ("Schwab"). The firm believes the selection of Schwab as its custodian of choice is due to what the firm would describe as the investment advisor industry's "best practices;" combining the elements of low (not necessarily the lowest) transaction costs to the client for the benefit of custody of client's securities, and service to both the client and the firm in its efforts to better serve their account. Such services involve, for example, handling client distribution or withdrawals, account billing services, electronic client statements, etc. Research is also a modest consideration.

It is the firm's policy to restrict non-cash compensation (termed "soft dollars" in certain jurisdictions) to products or services that enhance its ability to render quality advice and service to all of its clients that utilize any of Schwab services. Although the firm may maintain a majority of its business with Schwab, it derives no special benefit (any more than any other investment advisory firm) from doing so, nor does it "pay up" to receive these additional services.

Industry fees and schedules periodically change; subsequently, transaction fees charged by a custodian, such as Schwab, may be higher or lower than those charged by other service providers. The firm believes, in good faith, that rates are reasonable in relation to the value of the services received. The fees paid by firm clients will also comply with the firm's duty to obtain "best execution" (as further defined in a following paragraph).

The firm conducts periodic assessments of Schwab, its range of services and capabilities, as well as the reasonableness of its fees, in comparison to other comparable industry providers.

Client Referrals

All compensation paid to the firm is paid directly by the client and, therefore, the firm does not receive any additional compensation when its clients engage a recommended custodian or another service provider.

Directed Brokerage

Aqua Capital Advisors does not require or engage in directed brokerage involving its accounts. The firm recognizes its obligation in seeking "best execution" for its clients, however, it is the firm's belief that the determinative factor is not always the lowest possible cost but whether selected service provider's transactions represent the best "qualitative" execution while taking into consideration the full range of services provided. Therefore, the firm will seek services involving competitive rates but it may not necessarily correlate into the lowest possible rate for each transaction. The firm periodically reviews its policies regarding recommending service providers to clients in light of its duty to seek "best execution."

The client may direct the firm (in writing) to use another particular broker-dealer to execute some or all transactions for the client's account. In these circumstances, the client is responsible for negotiating *in advance of the transaction* the terms and/or arrangements for their account with their selected broker-dealer.

The firm will not be obligated to seek better execution services or prices from these other broker-dealers, nor be able to aggregate client transactions for execution through other custodians with orders for other accounts managed by the firm.

As a result, the client may pay higher commissions or other transaction costs, experience greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Further, pursuant to the firm's obligation of best execution, it may decline a client's request to direct brokerage if the firm believes any directed brokerage arrangement would result in additional operational difficulties, risk, or acute expense to the firm.

Trade Aggregation

Transactions for each client will generally be effected independently unless the firm decides to purchase or sell the same securities for several clients at approximately the same time often termed "aggregated" or "batched" orders. The firm may (but is not obligated to) aggregate orders in an attempt to obtain better execution, negotiate favorable transaction rates, or to allocate equitably among client accounts should there be differences in prices and commissions or other transaction costs that might have been obtained had such orders been separately placed. Client accounts where trade aggregation is disallowed or infeasible may be assessed higher transaction costs than those that are batched.

Within aggregated orders, transactions will generally be averaged as to price and allocated among the clients on a *pro rata* basis on any given day and the firm will attempt to do so in accordance with applicable industry rules. The firm shall not receive any additional compensation or remuneration as a result of the aggregated transactions.

In the event the firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include (in no particular order):

- when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weighting relative to other portfolios with similar mandates;
- allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts;
- if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts, such as that which might occur due to unforeseen changes in an account's assets after the order is placed;
- with respect to sale allocations, allocations may be given to accounts low in cash;
- when a *pro rata* allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, an account may be excluded from the allocation and transactions may be executed on a *pro rata* basis among the remaining accounts; or

- when a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis, with an eye toward the “randomness” of the process (i.e., not always A-to-Z or vice versa, etc.).

The firm reviews both its trade aggregation procedures and allocation processes on a periodic basis to ensure it remains within stated policies and/or regulation.

Trade Errors

The firm corrects all trade errors through a Trade Error Account maintained by the firm’s custodian and the firm will be responsible for any losses in accounts. Likewise, the firm may also receive any gains resulting from the correction of any trade errors and, therefore, may potentially receive a benefit from this arrangement.

Item 13 - Review of Accounts

Whether and how often we will review your account depends upon the type of service you engage us to provide. Not all types of agreements automatically include periodic reviews.

Review of Financial Planning and Investment Consultation Accounts

Hourly, as-needed financial planning and investment consultation agreements with Aqua Capital Advisors terminate upon delivery of the plan or advice to the client. The firm does not automatically provide ongoing reviews under this type of agreement, and is under no obligation to contact a client whose engagement was completed to recommend changes to his or her financial plan, or to any of the recommendations and advice provided in the past. Reviews are an important part of ensuring that a plan continues to meet a client’s needs, however, and Aqua Capital Advisors encourages all clients to re-engage the firm for periodic check-ups or portfolio reviews. It is the client's responsibility to initiate these reviews under a new or amended client agreement.

Review of Portfolio Management Accounts

Aqua Capital Advisors reviews portfolio management accounts on a regularly scheduled basis. Additional reviews may be triggered by events or research related to a specific holding, a change in the firm’s view of the merits of a holding, or information related to the macro-economic climate affecting a sector or holding within that sector. The firm may review portfolio management accounts when considering an additional holding or an increase in a current position. If a client needs to generate cash, adds cash, or if the cash level rises above what we believe is appropriate for the investment environment, given that particular client's stated risk tolerance and objectives, this may also trigger a review.

Content of Client Provided Reports and Frequency

Clients will receive account statements sent directly from mutual fund companies, transfer agents, custodians or brokerage companies where their investments are held. They are urged to carefully review these statements for accuracy and clarity, and to ask questions when something is not clear.

Aqua Capital Advisors may provide quarterly reports or position performance summary reports, and annual realized gains/loss reports for taxable accounts. Some clients may receive additional reports depending on their specific requirements.

All firm performance reports (if any are provided) will be prepared in accordance with appropriate jurisdictional guidance. Clients are urged to carefully review and compare account statements that they have received directly from their service provider with any report received from Aqua Capital Advisors.

Item 14 - Client Referrals and Other Compensation

The firm does not currently engage in solicitation activities as defined by Rule 206(4)-3 of the Investment Advisers Act of 1940, as amended, nor does it pay a direct or indirect fee for referrals.

As earlier stated, employees may also be individual members of the Certified Financial Planner Board of Standards, Inc., or other professional associations, where their information may be available on an association's website for public view. These passive websites may provide a means for an interested person to reach an individual planner via listed contact information.

Prospective clients locating the firm or an associated investment advisor representative via the noted venue is not actively marketed by the CFP® Board or another association; nor do they pay more for their services than another client who may be referred in another fashion, such as a personal referral from another advisor client. Further, firm policy does not allow it or an employee to pay these associations for prospective client referrals, nor are there fee-sharing arrangements reflective of a solicitor engagement.³

Item 15 - Custody

Client funds and securities will be maintained by unaffiliated, qualified custodians (such as Schwab); banks, broker-dealers, mutual fund company, or transfer agent and not with or by Aqua Capital Advisors nor any of its associates. The firm will not accept or forward client assets (i.e., stock certificates, etc.) errantly delivered to the firm.

At no time will a firm employee be authorized to have knowledge of a client's account access information (i.e., online 401(k), personal brokerage, or bank accounts), even for the "accommodation" of the client or their legal agent.

Firm policies restrict the firm and its associated persons from acting as trustee for or having full power of attorney over a client account, unless as a co-trustee of an immediate or incompetent family member.

Firm fees are not to be collected for its services to be performed more than six months in advance.

Investment account clients are provided with transaction confirmations and summary account statements sent directly from their selected service provider. Typically, these statements are provided on a monthly or quarterly basis, or as transactions occur. Clients are reminded to inform the firm, at its main office, if they do not receive these statements in a timely fashion.

Clients may receive reports from the firm that summarize account performance and they are urged to compare their account statements received from the assigned service provider with those reports they receive from Aqua Capital Advisors.

³The firm believes this arrangement is in consonance with SEC No-Action Letter No. 1251421 (January 25, 2002) in its response to the National Football League Players Association.

Item 16 - Investment Discretion

The firm generally provides investment supervisory services to its clients via a discretionary account agreement. Similar to a limited power of attorney, this authority allows the firm to implement investment decisions on behalf of the account without prior client authorization in order to meet the account objectives.

Should the client desire an account to be managed in a non-discretionary manner, thereby restricting execution of any or all transactions to occur following client approval, the firm in its discretion has the authority to either terminate the account or continue to manage the account under a higher asset-based fee⁴.

All account restrictions, limitations, and rescissions will be made in writing by the client and approved in writing by a firm principal. A record will be made and retained per regulation for each of these actions.

Item 17 - Voting Client Securities

Proxy Voting

The firm does not vote client proxies nor provide guidance on the voting of client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

Other Corporate Actions

The firm will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

Firm's Receipt of Materials

Clients may receive proxies or other similar solicitations sent directly from their selected custodian or transfer agent. If the firm receives correspondence for a client relating to the voting of their securities, class action litigation, or other corporate actions, it will typically forward the correspondence to the client or another entity (i.e., client counsel, etc.) if so directed.

Item 18 - Financial Information

Balance Sheet

Aqua Capital Advisors does not directly withdraw its advisory fees from a client's bank or investment accounts. The firm relies on the services of a qualified custodian to conduct this withdrawal of fees. The firm will not have custody of client assets.

⁴ An advisor's decision regarding only the price or time at which a pre-authorized trade is executed is not considered the exercise of discretion.

Aqua Capital Advisors will not collect fees from a client account for \$1,200 or more for advisory services to be performed six months or more in advance.

Due to the nature of our firm's services and operational practices, an audited balance sheet is not required nor included in this brochure.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm and its management do not have a financial condition likely to impair their ability to meet commitments to clients.

Bankruptcy Petitions during the Past 10 Years

The firm and its management have not been the subject of a bankruptcy petition at any time during the past 10 years.

Item 19 - Requirements for State-Registered Advisors

This section pertains to state-registered firms and therefore a response is omitted.

Part 2B: Brochure Supplement (Advisory Personnel)

Aqua Capital Advisors LLC

1901 Avenue of the Stars
Suite 1900
Los Angeles, CA 90067
(310) 461-1601
www.aquacapitaladvisors.com

Managing Member/Chief Compliance Officer/Financial Planner/Investment Advisor Representative

Jeff Fang, CFP®¹
Year of Birth: 1965

Educational Background and Business Experience

Education:

B.S. Electrical Engineering – University of Alabama; Tuscaloosa, AL
CERTIFIED FINANCIAL PLANNER™ Certification¹
Completed Certified Investment Management AnalystSM Certification Courses

Experience:

Managing Member/Chief Compliance Officer
Aqua Capital Advisors LLC (2009-Present)

Assistant Vice President/Wealth Management Advisor
Bank of America/Merrill Lynch & Co. (2002-2009)

Disciplinary Information

Not Applicable

Other Business Activities

Not Applicable

Additional Compensation

Not Applicable

Supervision

Mr. Fang serves in multiple capacities with the firm, including Managing Member, Chief Compliance Officer, Financial Planner and Investment Advisor Representative. The firm recognizes that not having all organizational duties segregated may potentially create a conflict of interest; however, the firm employs policies and procedures to ensure timely, accurate recordkeeping and supervision. Certain functions may be outsourced to assist in these efforts when deemed necessary. Questions relative to the firm, staff, its services, or this ADV Part 2 may be made to the attention of Mr. Fang at (310) 461-1601.

If you have questions about the contents of this brochure, please contact Aqua Capital Advisors LLC at (310) 461-1601. Additional information about the firm or an individual advisor is available on the SEC's website at www.adviserinfo.sec.gov. A search of this site for firms or their associated personnel can be accomplished by name or a unique firm identifier, known as an IARD number. The IARD number for Aqua Capital Advisors LLC is 151887.

The business and disciplinary history of an investment advisory firm and its representatives may also be obtained by calling the SEC at (888) 732-6585, or through the California Securities Regulation Division at (866) 275-2677.

About the CFP® Professional Designation

¹The **CERTIFIED FINANCIAL PLANNER™**, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.