

Part 2A of Form ADV: *Firm Brochure*

Blue Water Capital Management, LLC

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This brochure provides information about the qualifications and business practices of Blue Water Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (315) 438-8690 or sswift@bluewatercm.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

Additional information about Blue Water Capital Management, LLC also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 143414.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 07/26/2018, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

- Since the last filing of this brochure on July 26, 2018, the following has been updated:
 - Item 5 AUM has been updated.
 - The Chief Compliance Officer has changed to Stephen Swift.

Brochure Availability

At any time, you may view the current Brochure on-line at the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. You may also request a copy of this Brochure upon written request to:

Blue Water Capital Management, LLC

Attn: Compliance Department
1001 James Street
Syracuse, NY 13203

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Item 4 Advisory Business

Blue Water Capital Management, LLC is a SEC-registered investment adviser with its principal place of business located in New York. Blue Water Capital Management, LLC began conducting business in 2007.

Listed below are the firm's principal shareholders:

- Stephen Dean Swift, Chief Executive Officer, Chief Marketing Officer, Chief Compliance Officer
- John Andrew Paganelli, President, Chief Operating Officer, Chief Financial Officer
- Robert Bruce Bachman, Owner
- Thomas William Brown, CRPS, Partner- Wealth Management, Retirement Plan Services

Blue Water Capital Management, LLC offers the following advisory services to our clients:

INDIVIDUAL PORTFOLIO MANAGEMENT

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine

the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Once the client's portfolio has been established, we review the portfolio monthly, and if necessary, rebalance the portfolio on an annual basis, based on the client's individual needs.

Our investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

FINANCIAL PLANNING

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares

- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of 11/30/2018, we were actively managing \$94,265,000 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT SERVICES FEES

Our annual fees for Portfolio Management Services are based upon a percentage of assets under management and generally range from 0.50% to 1.55%.

The annualized fee for Portfolio Management Services is charged as a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$250,000 (\$0 - \$250,000)	1.55%
Next \$250,000 (\$250,001 - \$500,000)	1.50%
Next \$500,000 (\$500,001 - \$1,000,000)	1.25%
Next \$1,000,000 (\$1,000,001 - \$2,000,000)	1.00%
Next \$1,000,000 (\$2,000,001 - \$3,000,000)	0.75%
Above \$3,000,000	0.50%

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Investment Management Agreement.

A minimum of \$50,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Blue Water Capital Management, LLC may group certain

related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

Blue Water Capital management, LLC currently does not charge fixed fees. However, were they to be charged they would be negotiated in advance with the client. Overall factors to be considered will include the type and amount of assets to be managed and the complexity of the client's circumstances.

Limited Negotiability of Advisory Fees: Although Blue Water Capital Management, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Blue Water Capital Management, LLC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$150 to \$250 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

Fees Offset By Commissions: If a Financial Planning client executes recommended securities transactions through associated persons of our firm in their separate capacities as registered representatives of a broker dealer, these individuals will earn commissions which are separate and distinct from fees charged for advisory services. In some instances, depending on the size of the transaction, advisory fees will be discounted, at our discretion, for commissions earned. Commissions will not be credited towards future advisory fees.

The client is billed quarterly in arrears based on actual hours accrued.

GENERAL INFORMATION

Termination of the Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

Mutual Fund Fees: All fees paid to Blue Water Capital Management, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Blue Water Capital Management, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Blue Water Capital Management, LLC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of

1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Blue Water Capital Management, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Blue Water Capital Management, LLC's advisory fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

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

Blue Water Capital Management, LLC does not charge performance-based fees.

Item 7 Types of Clients

Blue Water Capital Management, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Quantitative Analysis. We use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of a share price or earnings per share, and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Qualitative Analysis. We subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement, and predict changes to share price based on that data.

A risk is using qualitative analysis is that our subjective judgment may prove incorrect.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Risks for all forms of analysis. Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by Blue Water Capital Management, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Blue Water Capital Management, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;

- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Blue Water Capital Management, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Blue Water Capital Management, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to sswift@bluewatercm.com, or by calling us at (315) 438-8690 ext. 11.

Blue Water Capital Management, LLC and individuals associated with our firm are prohibited from engaging in principal transactions.

Blue Water Capital Management, LLC and individuals associated with our firm are prohibited from engaging in agency cross transactions.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

Blue Water Capital Management, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Blue Water Capital Management, LLC requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

As a matter of policy and practice, Blue Water Capital Management, LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Blue Water Capital Management, LLC has an arrangement with National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") through which Fidelity provides our firm with "institutional platform services." The institutional platform services include, among others, brokerage, custody, and other related services. Fidelity's institutional platform services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Fidelity also offers other services intended to help our firm manage and further develop its advisory practice. Such services include, but are not limited to, performance reporting, financial planning, contact management systems, third party research, publications, access to educational conferences, roundtables and webinars, practice management resources, access to consultants and other third party service providers who provide a wide array of business related services and technology with whom Blue Water Capital Management, LLC may contract directly.

Blue Water Capital Management, LLC is independently operated and owned and is not affiliated with Fidelity.

Fidelity generally does not charge its advisor clients separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Fidelity or that settle into Fidelity accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity provides access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Blue Water Capital Management, LLC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Blue Water Capital Management, LLC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Item 13 Review of Accounts

PORTFOLIO MANAGEMENT SERVICES

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

REPORTS: In addition to the monthly statements and confirmations of transactions that Portfolio Management Services clients receive from their broker-dealer, Blue Water Capital Management, LLC will provide quarterly reports summarizing account performance, balances and holdings.

FINANCIAL PLANNING SERVICES

REVIEWS: While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

REPORTS: Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

OTHER COMPENSATION

Our firm and/or our officers and representatives are eligible to receive incentive awards (including prizes such as trips or bonuses) for recommending certain types of insurance policies or other investment products that we recommend.

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

We vote proxies for all client accounts; however, you always have the right to vote proxies yourself. You can exercise this right by instructing us in writing to not vote proxies in your account.

We will vote proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Blue Water Capital Management by telephone, email, or in writing. Clients may request, in writing, information on how proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are 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 us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies. To direct us to vote a proxy in a particular manner, clients should contact Stephen Swift by telephone, email, or in writing.

You can instruct us to vote proxies according to particular criteria (for example, to always vote with management, or to vote for or against a proposal to allow a so-called "poison pill" defense against a possible takeover). These requests must be made in writing. You can also instruct us on how to cast your vote in a particular proxy contest by contacting Blue Water Capital Management.

Item 18 Financial Information

As an advisory firm that maintains discretionary control over clients accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Blue Water Capital Management, LLC has no such financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1,200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Blue Water Capital Management, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.

Part 2B of Form ADV: *Brochure Supplement*

Stephen Dean Swift

Blue Water Capital Management, LLC
1001 James Street
Syracuse, New York 13203

December 20, 2018

This brochure supplement provides information about Stephen Dean Swift that supplements the Blue Water Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact Stephen Swift (315)438-8690 ext. 11 if you did not receive Blue Water Capital Management, LLC's brochure or if you have any questions about the contents of this supplement. Additional information about Stephen Dean Swift is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: Stephen Dean Swift **Born:** 1955

Education

- State University College of Buffalo; BS, Education; 1979

Business Experience

- Blue Water Capital Management, LLC; Chief Marketing Officer; from 03/07 to Present
- Hazard & Siegel, Inc.; Registered Representative; from 09/04 to 12/12
- Portfolio Consulting Group; Member; from 04/02 to 12/11
- Leigh Baldwin & Co., LLC; Registered Representative; from 01/02 to 09/04
- Security Mutual Life; General Agent; from 01/02 to 12/04
- Equity Services, Inc.; Registered Representative; from 03/98 to 01/02
- National Life of Vermont; District Agent; from 03/98 to 01/02

Designations

Stephen Dean Swift has earned the following designation(s) and is in good standing with the granting authority:

- ChFC; The American College; 2001
The ChFC program is administered by the American College, Bryn Mawr, Pennsylvania. The designation has the same core curriculum as the CFP designation, plus two or three additional elective courses that focus on various areas of personal financial planning. In addition to successful completion of an exam on areas of financial planning, including income tax, insurance, investment and estate planning, candidates are required to have a minimum of three (3) years experience in a financial industry position.

Item 3 Disciplinary Information

Stephen Dean Swift has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

Stephen Dean Swift is also engaged in the following investment-related activities:

Insurance company or agency

Stephen Swift holds licenses to sell Life, Health, Disability and Long Term Care Insurance in New York. He receives commissions only for these transactions.

A conflict of interest could exist where financial planning uncovers a need for an insurance product. In this case a commission would be paid to the associate in addition to fees paid relative to the financial planning or asset management process. This conflict can be mitigated by strict management oversight and the ability to reduce management fees when commissions are paid.

B. Non Investment-Related Activities

Stephen Dean Swift is a voluntary member of the Syracuse City School District's Partnership Council on Career and Technical Education. He is also a voluntary member of Junior Achievement of Central New York's board of directors. He receives no compensation for either position.

Item 5 Additional Compensation

Stephen Dean Swift does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Stephen D. Swift, John A. Paganelli, and Stephen Swift, named in Part 2A of Form ADV, Item 4 are those whom qualify as "Supervised Persons." These individuals are owners of Blue Water Capital Management, LLC. and comprise the firm's management team as well as the sole members of the Management Committee and the Investment Committee. As such these owner/managers are in constant contact with each other and involved in their preparation and decisions regarding all advisory activities in behalf of the firm. They all may be reached at the firm telephone number (315) 438-8690.

Part 2B of Form ADV: *Brochure Supplement*

John Andrew Paganelli

Blue Water Capital Management, LLC
1001 James Street
Syracuse, New York 13203

December 20, 2018

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Additional information about John Andrew Paganelli is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational, Background and Business Experience

Full Legal Name: John Andrew Paganelli **Born:** 1967

Education Rochester Institute of Technology; BS, Finance; 1990

Business Experience

- Blue Water Capital Management, LLC; Chief Operating and Financial Officer; from 04/07 to Present
- Portfolio Consulting Group, Inc.; Vice President Operations and Finance; from 10/03 to 02/07
- Berger Funds; Treasurer; from 04/01 to 05/03
- Berger Financial Group; Vice President , Investment Accounting; from 01/97 to 05/03

Item 3 Disciplinary Information

John Andrew Paganelli has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. John Andrew Paganelli is not engaged in any other investment-related activities.
2. John Andrew Paganelli does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

John Andrew Paganelli is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5 Additional Compensation

John Andrew Paganelli does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Stephen D. Swift, John A. Paganelli, and Thomas Brown, named in Part 2A of Form ADV, Item 4, are those whom qualify as "Supervised Persons." These individuals are owners of Blue Water Capital Management, LLC and comprise the firm's management team as well as the sole members of the Management Committee and the Investment Committee. As such, these owner/managers are in constant contact with each other and involved in their preparation and decisions regarding all advisory activities on behalf of the firm. They may all be reached at the firm telephone number (315)438-8690.

Part 2B of Form ADV: *Brochure Supplement*

Thomas William Brown

Blue Water Capital Management, LLC
1001 James Street
Syracuse, New York 13203

December 20, 2018

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Additional information about Thomas William Brown is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name Thomas William Brown **Born:** 1985

Education Syracuse University; BS, Finance, Entrepreneurship; 2007

Business Experience

- Blue Water Capital Management, LLC., Partner - Wealth Management, Retirement Plan Services, from 9/2016 to present.
- Hazard and Siegel, Inc., Registered Representative, from 2011 to 12/2015.
- Blue Water Capital Management, LLC; Financial Advisor Associate; from 2011 to 2016
- AXA Equitable; Financial Advisor; from 2008 to 2010

Item 3 Disciplinary Information

Thomas William Brown has no reportable disciplinary history.

Item 4 Other Business Activities

Registered Representative of a Broker Dealer.

- The Broker Dealer with whom Thomas is registered has selling agreement with RIA.
- A potential conflict of interest exists with the possibility to earn commissions on the sale to advisory clients in addition to advisor receiving fees for portfolio management. This conflict can be mitigated by strict management oversight and the ability to reduce management fees when this circumstance exists.
- *He receives commissions only from the broker dealer*

Insurance company or agency

- *There is no business relationship between RIA and other business with which he may be involved.*
- *Thomas holds licenses to sell life, health, disability and long term care insurance in New York State.*
- *Commissions are the only compensation earned in this relationship.*
- *A conflict of interest could exist where financial planning uncovers a need for an insurance product. In this case a commission would be paid to the associate in addition to fees being paid relative to the financial planning or asset management process. This conflict can be mitigated by strict management oversight and the ability to reduce management fees when commissions are paid.*

Non Investment-Related Activities

Thomas William Brown is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his or her time.

Item 5 Additional Compensation

Thomas receives no compensation in addition to those related above.

Item 6 Supervision

Stephen D. Swift, John A. Paganelli, and Thomas Brown, named in Part 2A of Form ADV, Item 4, are those whom qualify as "Supervised Persons." These individuals are owners of Blue Water Capital Management, LLC and comprise the firm's management team as well as the sole members of the Management Committee and the Investment Committee. As such, these owner/managers are in constant contact with each other and involved in their preparation and decisions regarding all advisory activities on behalf of the firm. They may all be reached at the firm telephone number (315)438-8690.

Part 2B of Form ADV: *Brochure Supplement*

Robert Bruce Bachman

Blue Water Capital Management, LLC
1001 James Street
Syracuse, New York 13203

December 20, 2018

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Additional information about Robert Bruce Bachman is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: Robert Bruce Bachman **Born:** 1937

Education

- Colgate University; BS, Economics; 1959

Business Experience

- Blue Water Capital Management, LLC; Owner; from 03/07 to Present
- Hazard & Siegel, Inc.; Registered Representative; from 09/04 to 12/10
- Portfolio Consulting Group, Inc.; Chief Compliance Officer and Sales Representative; from 12/99 to 02/07
- Leigh Baldwin & Co.; Sales Representative; from 03/00 to 08/04

Designations

Robert Bruce Bachman has earned the following designation(s) and is in good standing with the granting authority:

- CLU; The American College; 1970

The qualifications have evolved over the years, however at the time it was conferred it consisted of ten separate courses including law, economics, finance, labor and a comprehensive inclusive estate planning unit.

- ChFC; The American College; 1986

The ChFC program is administered by the American College, Bryn Mawr, Pennsylvania. This designation has the same core curriculum as the CFP designation, plus two or three additional elective courses that focus on various areas of personal financial planning. In addition to successful completion of an exam on areas of financial planning, including income tax, insurance, investment and estate planning, candidates are required to have a minimum of three(3) years experience in a financial industry position.

Item 3 Disciplinary Information

Robert Bruce Bachman has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. Robert Bruce Bachman is not engaged in any other investment-related activities.

2. Robert Bruce Bachman does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

B. Non Investment-Related Activities

Robert Bruce Bachman is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

Item 5 Additional Compensation

Robert Bruce Bachman does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Stephen D. Swift, John A. Paganelli and Thomas Brown named in Part 2A of Form ADV, Item 4 are those whom qualify as "Supervised Persons." These individuals are owners of Blue Water Capital Management, LLC and comprise the firm's Management Team and are, as well, the sole members of the Management Committee and the Investment Committee. As such, these owner/managers are in constant contact with each other and are thus involved in their preparation and decisions regarding all advisory activities on behalf of the firm. They all may be reached at the firm telephone number, (315)438-8690.