

Item 1 - Cover Page

Blue Water Capital Advisors, LLC
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218-464-4399
www.bluewatercapitaladvisors.com

03/23/2016

This Brochure provides information about the qualifications and business practices of Blue Water Capital Advisors. If you have any questions about the contents of this Brochure, please contact us at 218-464-4399 or info@bluewater-cap.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.

Blue Water Capital Advisors is a registered investment adviser with the States of Minnesota and Wisconsin. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about that Adviser which you can use to determine to hire or retain the Adviser.

Additional information about Blue Water Capital Advisors also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

With the passage of the amendments to the Investment Adviser Act of 1940 by the Dodd Frank Act, Blue Water Advisors was required to withdraw its registration with the United State Securities and Exchange Commission (SEC) and become registered with those states in which it maintains a place of business. Blue Water has filed its withdrawal of registration with the SEC and has become registered with the States of Minnesota and Wisconsin. This Brochure dated 03/23/2016 requires certain new information that our previous brochures did not require. See specifically the disclosures required by State Registered Investment Advisers at Item 19 of this Part 2A Brochure.

We will provide you with a new Brochure as necessary based on changes or new information, without charge.

Currently, our Brochure may be requested by contacting Kevin M. Wilson, President/CEO/CCO at 218-728-8386 or kwilson@bluewater-cap.com. Our Brochure is also available on our web site at www.bluewatercapitaladvisors.com, also free of charge.

Additional information about Blue Water Capital Advisors is also available via the SEC's web site at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Blue Water Capital Advisors who are registered, or are required to be registered, as investment adviser representatives of Blue Water Capital Advisors in Supplemental Part 2B to Form ADV.

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Item 4 – Advisory Business

Provides investment supervisory services, including continuous investment advice with regard to asset allocation, mutual funds, ETFs, individual stocks, bonds, etc. based on the individual needs of the client. Model portfolios will be available for six different objectives, or clients can choose an individualized approach. Following is the basic fee schedule and reflects the applicable per annum percentage fee based upon the Assets Under Management (AUM):

Model Portfolios:

BWFG = Blue Water Fundamental Growth

BWHY = Blue Water High Yield Equity

BWBI = Blue Water Balanced Income

BWCP = Blue Water Capital Preservation

BWBT = Blue Water Bond Trader

BWAI = Blue Water Alternative Investments

BWPH = Blue Water Private Holdings

BWVG = Blue Water Market Growth

BWDG = Blue Water Dividend Growth

AUM Range	BWFG	BWHY	BWBI	BWCP	BWBT	BWAI	BWPH	BWMG	BWDG
2,500-50,000	N/A	N/A	N/A	N/A	N/A	N/A	0.70	1.25	1.10
50,001-250,000	1.65	N/A	1.55	1.45	0.50	1.00	0.70	1.15	1.05
250,001-500,000	1.55	N/A	1.45	1.25	0.50	1.00	0.70	1.05	0.95
500,001-750,000	1.45	1.40	1.35	1.15	0.50	1.00	0.70	0.95	0.85
750,001-1,000,000	1.35	1.30	1.25	1.05	0.50	1.00	0.70	0.85	0.70
1,000,001-3,000,000	1.25	1.20	1.15	0.95	0.50	1.00	0.70	0.70	0.50
3,000,001-5,000,000	1.15	1.10	1.05	0.85	0.50	1.00	0.70	0.50	0.40
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Fees are calculated on a per annum basis using the applicable percentage for the AUM for the strategies employed and are payable following the ends of the first quarter in which assets are held. Thereafter all fees are payable quarterly (pro-rated) in advance. Quarterly fees pro-rated to the nearest full day. Hourly charges payable monthly (Type of Service: Tax Planning, Investment Planning, Retirement Planning, Estate Planning, Cash Flow/Budget Planning, Personal Financial Planning, Business Planning, Education Planning, Asset Allocation . Upon termination fees refunded on a pro-rated basis proportional to the number of day's termination preceded quarter end.

The subscription periodical will be called:

"Wilson's Lighthouse Investment Letter"

Item 5 – Fees and Compensation

The specific manners in which fees are charged by Blue Water Capital Advisors is established in a client's written agreement with Blue Water Capital Advisors and are generally calculated on the basis of a percentage of the Assets Under Management. Blue Water Capital Advisors will generally bill its fees on a quarterly basis in advance. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Blue Water Capital Advisors' fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Blue Water Capital Advisors' fee, and Blue Water Capital Advisors shall not receive any portion of these commissions, fees, or costs.

Item 12 further describes the factors that Blue Water Capital Advisors considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

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

Blue Water Capital Advisors does not charge any performance-based fees (fees based on a share of the capital gains on, or capital appreciation of, the assets of a client). This means that unlike a hedge fund, Blue Water is paid for advice, not results.

Item 7 – Types of Clients

Blue Water Capital Advisors provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, municipalities, private investment funds, trust programs, and other U.S. institutions. Investors are subject to a minimum investment threshold of \$2,500 for the Market Growth (BWMG) and Dividend Growth (BWDG) portfolios, \$50,000 for the Bond Trader (BWBT) portfolio, and \$100,000 for all other portfolios except High Yield Equity [BWHY], which has a minimum of \$500,000.

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

Our investment philosophy operates at two levels. For strategic holdings, it is grounded in the belief that long term investment performance is based on a disciplined security specific selection process. This method is similar to the classic approach first utilized by investment greats like John Keynes, Benjamin Graham, and more recently Warren Buffett. We look for companies with long term growth and stability, shareholder-friendly and rational company management, a proven track record, and a price that is trading well below our estimate of its value. This approach provides you with a margin of safety on each holding and the opportunity for strong long term gains. In evaluating a potential investment in a stock held strategically, we view ourselves as a prospective business owner. As such these investment decisions are based on extensive bottom-up research and a thorough assessment of the company, its management, and the business environment within which they exist. Risks for this approach include market risk, valuation risk, and event risk.

For more tactical holdings, we look for temporary advantages provided by momentum, thematic investment trends, risk/return profiles, sector rotation and portfolio hedging considerations. In evaluating a potential investment in a stock held tactically, we look at the risk/reward parameters for the stock in view of the tactical environment at the time, assuming that the stock is simply a trade, rather than a long-term holding. Risks for this approach include market risk, the risk of incorrectly interpreting technical data, and event risk.

We also monitor on an ongoing basis the companies we invest in and their changing economic and financial environment.

“Investing in securities involves risk of loss that clients should be prepared to bear.”

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Blue Water Capital Advisors or the integrity of Blue Water Capital Advisors' management. There are no events to report involving current personnel.

Item 10 – Other Financial Industry Activities and Affiliations

Not applicable.

Item 11 – Code of Ethics

Blue Water Capital Advisors has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. With respect to insider trading, Blue Water Capital Advisors does not believe that it has any particular access to non-public information, but all employees are reminded that such information may not be used in a personal or professional capacity. Blue Water Capital Advisors is not affiliated with an investment company or other publicly traded security. To supervise compliance with its Code of Ethics, Blue Water Capital Advisors requires that anyone associated with this advisory practice with access to advisory recommendations provide securities holdings reports to the firm's Chief Compliance Officer. All supervised persons at Blue Water Capital Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Blue Water Capital Advisors anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Blue Water Capital Advisors has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Blue Water Capital Advisors, its affiliates and/or clients, directly or indirectly, have a position of interest. Blue Water Capital Advisors' employees and persons associated with Blue Water Capital Advisors are required to follow Blue Water Capital Advisors' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Blue Water Capital Advisors and its affiliates may trade for their own accounts in securities which are

recommended to and/or purchased for Blue Water Capital Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Blue Water Capital Advisors 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. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Blue Water Capital Advisors' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Blue Water Capital Advisors and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Blue Water Capital Advisors' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Blue Water Capital Advisors will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Blue Water Capital Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kevin M. Wilson.

It is Blue Water Capital Advisors' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Blue Water Capital Advisors will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

Blue Water Capital Advisors does not participate in any soft dollar benefits with any broker/dealer or custodian. This means Blue Water does not receive any discount on trades from its custodian for research the custodian firm provides. TD Ameritrade Institutional Services currently serves as the Qualified Custodian for all client assets and the affiliated broker-dealer of TD Ameritrade is used for all securities transactions and trades. Blue Water client accounts will pay TD Ameritrade's standard rate schedule for wholesale ticket charges for the brokerage services provided.

Item 13 – Review of Accounts

Accounts reviewed annually at a minimum. Accounts < \$100,000 receive annual reviews; accounts > \$100,000 but <\$250,000 receive semi-annual reviews, while those > \$250,000 receive quarterly reviews, and those > \$1,000,000 receive more frequent reviews as needed. Reviews also triggered at clients' request when clients' circumstances have changed or at management's request if market conditions have deteriorated. All accounts reviewed by CIO and/or PMs. Reviews will consist of risk analysis, performance, risk profile update, investment policy statement update. No more than 100 clients per reviewer. Clients will receive quarterly performance reports, monthly statements and daily web access to viewing the accounts. Bi-monthly newsletter provided to clients at no additional charge.

Item 14 – *Client Referrals and Other Compensation*

Directly compensate banks, CPA firms, and insurance firms acting as third party solicitors for referrals. Arrangement is to pay third party solicitors 15% of gross revenues accrued in the first 12 months after the referred client account is established.

Item 15 – Custody

Clients receive at least quarterly statements from TD Ameritrade reflecting all transactions in the account by the TD Ameritrade affiliated broker dealer and all charges and fees paid directly to Blue Water. TD Ameritrade as the Qualified Custodian for all client accounts holds and maintains client's investment assets. Blue Water Capital Advisors urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial

statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Blue Water Capital Advisors is granted discretionary authority pursuant to our investment advisory agreement with each client at the outset of an advisory relationship which grants Blue Water the authority to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Blue Water Capital Advisors observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Blue Water Capital Advisors' authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Blue Water Capital Advisors in writing.

Item 17 – Voting *Client* Securities

As a matter of firm policy and practice, Blue Water Capital Advisors does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Blue Water Capital Advisors may provide advice in certain circumstances to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Blue Water Capital Advisors' financial condition. Blue Water Capital Advisors has no financial commitment that impairs its ability to meet

contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

19(A/D)

Principal Executive Officers and Management Persons:

Chairman/CEO/President/CCO Kevin M. Wilson, born 1952

B.S. - Western Michigan University

M.S. - University of New Hampshire

Ph.D. - University of Colorado

ChFC - The American College (inactive)

Candidate for M.S. (Fin. Services) - The American College

Former Trust Officer, Sr. Financial Advisor and Wealth Management-Vice President at M&I Wealth Management, Superior, WI & Minneapolis, MN 1997-2004 (7 years)

Former Sr. Vice President, NBC Financial Svcs., owned by National Bank of Commerce, Duluth, MN 2005-2008 (4 years)

Founder and CEO at Blue Water Capital Advisors, Duluth, MN since January, 2009; owner of 54.0% of the Company, Duluth, MN

Series 65

Advisor/Operations Manager Matthew T. Timpane, born 1984

B.S. - University of Wisconsin-Superior

Operations Asst., Blue Water Capital Advisors, Duluth, MN 2013-2015 (2 years)

Series 65

Board Members:

Patrick J. Boerboon, Esq., board member since October, 2014, attorney at law, Ashland, WI

John H. Fowler, MSc., board member since October, 2014, petroleum geologist/consultant, St. Joseph, MI