



Part 2A of Form ADV: *Firm Brochure*

Clearwater Capital Partners

Main Office:

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

Telephone: 847-841-8650
Email: general@ccpwealth.com
Web Address: www.ccpwealth.com

03/14/2019

This brochure provides information about the qualifications and business practices of Clearwater Capital Partners. If you have any questions about the contents of this brochure, please contact us at 847-841-8650 or general@ccpwealth.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 Clearwater Capital Partners 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. The firm's CRD number is 139886.

Item 2 Material Changes

This Firm Brochure, dated 03/14/2019, provides clients with a summary of Clearwater Capital Partners' advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest, among other things. This Item is used to provide clients with a summary of new and/or updated information; CCP will inform of the revision(s) based on the nature of the information as follows.

1. Annual Update: CCP is required to update certain information at least annually, within 90 days of the firm's fiscal year end (FYE) of December 31st. CCP will provide clients with either a summary of the revised information with an offer to deliver the full revised Brochure within 120 days of the firm's FYE or CCP will provide clients with a revised Brochure that will include a summary of those changes in this Item.
2. Material Changes: Should a material change in CCP's operations occur, depending on its nature the firm will promptly communicate this change to clients (and it will be summarized in this Item). "Material changes" requiring prompt notification will include changes of ownership or control; location; disciplinary proceedings; significant changes to CCP's advisory services or advisory affiliates – any information that is critical to a client's full understanding of who we are, how to find us, and how we do business.

The following is a summary of some of the new or revised disclosures based on information previously provided in the Firm Brochure dated 02/16/2018:

- Advisory Business under Item 4 has been updated
 - Interests in partnerships investing in debt and/or equity, both public and private has been added to the list of products the firm may generally advise on.
 - Greater detail on the process followed when changing a retirement plan investment line up has been added under the Retirement Plan Advisory Services section.
 - The Insurance Services section was modified to more clearly state that insurance services are offered through a separate legal entity under common ownership and control as CCP. Further, the types of insurance policies offered through the firm's affiliated insurance agency, Life, Long Term Care and Disability, was also added.
- Fees and Compensation under Item 5 has been updated
 - Clarified that clients with accounts at LPL will be billed quarterly, while clients with accounts at Charles Schwab & Company will be billed monthly, and clarified fee credit timing.
 - Further detailed the 30 day written notification requirement for the termination of the advisory relationship
 - Added a section describing Retirement Plan Rollovers, the options an investor has, and the potential conflict when CCP recommends a rollover to an account on which it will generate fees.
- Alternative Investments has been added to the firm's Investment Strategies section under Item 8, describing their strategies, risks and other considerations when investing in an alternative investment.
- Client Referrals and Other Compensation has been updated under Item 14 to disclose the firm's process when referring clients to other service professionals, such as attorneys and accountants. While no direct compensation is involved, a potential conflict of interest may arise when the firm may be incentivized to refer clients to service professionals that refer to the firm.
- Custody under Item 15 has been updated to account for the firm's ability to facilitate withdrawals to 3rd party recipients in certain circumstances, and clarifies that LPL calculates the advisory fees on accounts held there while the firm calculates the advisory fee on accounts held at Charles Schwab & Company.
- Voting Client Securities under Item 17 has been updated to reflect that the firm will not vote client proxies even when required to receive them by the custodian under specific circumstances.

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Item 4 Advisory Business

Clearwater Capital Advisors, LLC Doing Business As (DBA) Clearwater Capital Partners (CCP) is an SEC-registered investment adviser with its principal place of business located in Illinois. Clearwater Capital Partners began conducting business in 2006 as BSC Private Wealth Management, LLC.

Clearwater Capital Advisors, LLC, Clearwater Capital Insurance, LLC, and Clearwater Capital Consulting, LLC all operate under the Clearwater Capital Partners name and are majority owned by Clearwater Capital Partners, LLC.

Listed below are the principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company) of the Clearwater Capital Partners, LLC holding company.

John E. Chapman, CEO, Chief Investment Strategist

Lenard G. Borhart, Partner

Alan R. Krause, Partner

CCP offers the following advisory services to its clients:

WRAP FEE PROGRAM

CCP sponsors and acts as the sole investment manager to the Clearwater Capital Partners Strategic Wealth Management Program (the Program), a wrap fee program. A wrap-fee program is an investment management program that provides the client with investment advisory services and brokerage trade execution services for a single, inclusive fee. The client is not charged separate fees for these respective components of the total service. Transactions in Program accounts are effected 'net,' i.e., without a separate commission charge to the client, and a portion of the wrap fee is generally considered as being in lieu of commissions. However, clients may incur additional costs, as applicable, for custodial fees, odd-lot differentials, fees and expenses charged by mutual funds and exchange traded funds (ETFs) to their shareholders, exchange fees, transfer taxes, wire transfer and electronic fund fees and certain administrative fees charged in connection with wire transfers or certificate issues as stipulated by the account custodian. CCP reserves the right to reimburse clients for certain of these fees as it deems appropriate with respect to the overall relationship.

In evaluating the Program, clients should consider therefore that, depending upon the level of the wrap fee charged, the amount of portfolio activity in the client's account, the value of custodial and other services which are provided under the arrangement, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately and if CCP were to negotiate commissions and seek best price and execution of transactions for the client's account on a trade by trade basis.

CCP manages these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., aggressive growth, growth, growth and income, income with moderate growth, or income with capital preservation), as well as tax considerations.

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

CCP's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and may generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- Interests in partnerships investing in debt and/or equity, both public and private

- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

As further discussed in response to Item 12 of this Brochure, CCP generally recommends that Program clients utilize the brokerage and clearing services of either the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, or LPL Financial, a FINRA registered broker-dealer, member SIPC (collectively referred to as Custodians). CCP may only implement its investment management recommendations after the client has arranged for, and furnished the firm with information and authorization, regarding accounts with the Custodians.

CCP's clients are advised to promptly notify CCP if there are ever any changes in their financial situation or investment objectives which may impact how his/her account should be managed or if they wish to impose any reasonable restrictions upon CCP's management services.

For detailed information regarding the Program, clients should refer to the Program's separate disclosure document.

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

CCP provides continuous advice to clients 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, CCP develops a client's personal investment strategy and create and manage a portfolio based on that strategy.

During the data-gathering process, CCP determines the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, CCP also reviews and discusses a client's prior investment history, as well as family composition and background.

CCP manages these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., aggressive growth, growth, growth and income, income with moderate growth, or income with capital preservation), as well as tax considerations.

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

CCP's investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and may generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in debt and/or equity, both public and private

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. Therefore, portfolio strategies will vary between clients.

Not all clients or client accounts will have exposure to the instruments listed above.

RETIREMENT PLAN ADVISORY SERVICES

CCP also provides several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, CCP offers these services, where appropriate, to individuals and trusts, estates and charitable organizations. Retirement Plan Consulting Services are comprised of four distinct services.

Clients may choose to use any or all of these services.

Investment Policy Statement Preparation (hereinafter referred to as "IPS"):

CCP will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. CCP may then prepare a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

Selection of Investment Vehicles:

CCP assists plan sponsors in constructing appropriate investment menus. CCP will then review various mutual funds (both index and managed) and exchange traded funds to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined through consultation with the client, based on the IPS.

Monitoring of Investment Performance:

CCP monitors the plan sponsor's investment menu continually, based on the procedures and timing intervals agreed to with the client. Although each plan participant is responsible for the purchase or sale of these investments within their individual participant accounts, CCP will supervise the plan sponsor's investment menu and will make recommendations to the client as market factors and the client's needs dictate. If a recommendation to replace, add or remove a holding is made and accepted by the plan sponsor, CCP will facilitate the transaction with the plan record keeper and custodian.

Employee Communications:

For pension, profit sharing and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), CCP may also provide educational support and investment workshops designed for the plan participants when the plan sponsor engages the firm to provide these services. The nature of the topics to be covered will be determined by CCP and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations. Individuals seeking individualized advice may request private consultation (either by telephone or in person), during which specific investment strategies may be discussed. The implementation of any or all recommendations is solely at the discretion of the participant, unless a separate advisory agreement has been implemented between the participant and CCP.

INSURANCE SERVICES

Insurance services are offered through an independent insurance agency, a separate legal entity under common ownership and control with CCP, providing insurance products such as Life, Long Term Care and Disability policies, and some CCP advisors are licensed insurance agents. Accordingly, CCP can offer insurance products as may be required in a comprehensive wealth management plan. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations.

SPEAKING ENGAGEMENTS

CCP participates in speaking engagements. Information shared during speaking engagements should not be considered specific advice to attendees, but is intended to be general educational information only.

AMOUNT OF MANAGED ASSETS

As of 03/14/2019, through CCP's Private Client Advisory Practice and Retirement Plan Advising Practice, CCP is managing a total of \$689,262,675.30 of client assets.

Of this total CCP was managing \$602,425,472.30 of client assets on a discretionary basis plus \$86,837,203.00 of Qualified Plan clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

WRAP FEE PROGRAM

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

Tiered Fee Schedule	
<u>Assets Under Management</u>	<u>Marginal Annual Fee</u>
\$0 - \$2,000,000	1.000%
\$2,000,001 - \$5,000,000	0.750%
\$5,000,001 - \$10,000,000	0.550%
\$10,000,001 - \$25,000,000	0.250%
\$25,000,001 - \$50,000,000	0.225%
\$50,000,001 - \$100,000,000	0.180%
\$100,000,001 -	0.125%

As an example, a client with \$6,000,000 in Assets Under Management may be charged 1.00% on the first \$2,000,000 of Assets, 0.750% on the next \$3,000,000 of Assets, and 0.550% on the final \$1,000,000 of Assets.

For clients with accounts at Schwab, CCP fees are generally billed monthly, in advance, at the beginning of each calendar month 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 month. For clients with accounts at LPL, CCP fees are generally 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.

The client may make additions to and withdrawals from the account at any time, subject to CCP's right to terminate an account. If assets are deposited into an account the fee payable with respect to such assets will be prorated based on the number of days remaining in the billing cycle. Clients may withdraw account assets with notice to CCP, subject to the usual and customary securities settlement procedures. In the event of a distribution, CCP shall refund its unearned fee for that billing cycle based on the number of days remaining. However, CCP designs its portfolios as long-term investments and asset withdrawals may impair the achievement of the client's investment objectives. All fee adjustments due to flows will be made during the fee cycle following the flow(s).

For the initial month of investment management services, the first month's fees shall be calculated on a pro rata basis. The Agreement between CCP and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. CCP's fee shall be prorated through the date of effective termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner subject to the 30 day notice requirement.

While CCP does not require a minimum account size for the Program, clients should be aware that accounts with smaller values will typically, out of necessity, hold fewer positions in higher concentrations than other

client accounts. As a result, these accounts may experience a greater degree of volatility.

Fees will be directly debited in advance from the account in accordance with the client authorization in the Client Services Agreement. The Custodian(s) recommended by CCP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CCP.

For detailed information regarding the Program, including the fee schedule, terms and other important considerations, clients should refer to the disclosure document (Form ADV, Part 2A Appendix 1) for the Program.

Limited Negotiability of Advisory Fees: Although CCP has established the aforementioned fee schedule(s), CCP retains the discretion to negotiate alternative fees on a client-by-client basis.

Client facts, circumstances and needs are considered in determining an alternative fee schedule. These include the complexity of the case, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. As such, fee levels and structure will vary between clients. Certain clients may be subject to multiple fee levels and structures.

CCP may group certain related client accounts for the purposes of determining the annualized fee. Discounts, not generally available to advisory clients, may be offered to family members and friends of associated persons of CCP. The specific annual fee schedule is identified in the contract between the firm and each client.

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

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

Tiered Fee Schedule	
<u>Assets Under Management</u>	<u>Marginal Annual Fee</u>
\$0 - \$2,000,000	1.000%
\$2,000,001 - \$5,000,000	0.750%
\$5,000,001 - \$10,000,000	0.550%
\$10,000,001 - \$25,000,000	0.250%
\$25,000,001 - \$50,000,000	0.225%
\$50,000,001 - \$100,000,000	0.180%
\$100,000,001 -	0.125%

As an example, a client with \$6,000,000 in Assets Under Management may be charged 1.00% on the first \$2,000,000 of Assets, 0.750% on the next \$3,000,000 of Assets, and 0.550% on the final \$1,000,000 of Assets.

CCP 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.

The client may make additions to and withdrawals from the account at any time, subject to CCP's right to terminate an account. If assets are deposited into an account the fee payable with respect to such assets will be prorated based on the number of days remaining in the quarter. Clients may withdraw account assets with notice to CCP, subject to the usual and customary securities settlement procedures. In the event of a

distribution, CCP shall refund its unearned fee pro-rata based on the number of days remaining in the billing cycle. However, CCP designs its portfolios as long-term investments and asset withdrawals may impair the achievement of the client's investment objectives. All fee adjustments due to flows will be made during the fee cycle following the flow(s).

For the initial quarter of investment management services, the first quarter's fees shall be calculated on a pro rata basis. The Agreement between CCP and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. CCP's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

While CCP does not require a minimum account size, clients should be aware that accounts with smaller values will typically, out of necessity, hold fewer positions in higher concentrations than other client accounts. As a result, these accounts may experience a greater degree of volatility.

Fees will be directly debited in advance from the account in accordance with the client authorization in the Client Services Agreement. The Custodian(s) recommended by CCP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CCP.

Limited Negotiability of Advisory Fees: Although CCP has established the aforementioned fee schedule(s), CCP retains the discretion to negotiate alternative fees on a client-by-client basis.

Client facts, circumstances and needs are considered in determining an alternative fee schedule. These include the complexity of the case, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. As such, fee levels and structure will vary between clients. Certain clients may be subject to multiple fee levels and structures.

CCP may group certain related client accounts for the purposes of determining the annualized fee. Discounts, not generally available to advisory clients, may be offered to family members and friends of associated persons of CCP. The specific annual fee schedule is identified in the contract between the firm and each client.

HOURLY / FIXED FEE CONSULTING SERVICES (PRIVATE CLIENT)

CCP provides consulting services to individuals and businesses. CCP may also provide non-securities advice on topics that may include, but are not limited to, business consulting, retirement, estate, budgetary, and education planning, personal and business tax planning in collaboration with a client's accountant and/or attorney. Clients, however, are not under any obligation to engage CCP when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

CCP's hourly consulting services fee generally ranges from \$250 to \$500 per hour based on the range and complexity of the services being provided and resources assigned. Fixed fee for service may also be charged for case strategy reviews which range from \$2,000 to \$5,000 per case based on complexity. CCP will provide an estimate for the total hours or fixed fee at the start of the consulting relationship.

Fees are due and payable upon completion of the analysis or services. CCP reserves the right to credit any portion of this fee back to the client based on subsequent advisory engagements for asset management. The decision to credit these fees back to the client will be at the sole discretion of CCP based on each unique situation.

SPEAKING ENGAGEMENTS

CCP participates in speaking engagements. Information shared during speaking engagements should not be considered specific advice to attendees, but is intended to be general educational information only. CCP's hourly speaking engagement fee generally ranges from \$250 to \$500 per hour based on the range and complexity of the services being provided and resources assigned. Fixed fee for service may also be charged for speaking engagements which range from \$2,000 to \$5,000 per case based on complexity. CCP will provide an estimate for the total hours or fixed fee at the start of the relationship.

Fees are due and payable prior completion of the speaking engagement unless otherwise stated in the engagement contract.

RETIREMENT PLAN ADVISING FEES

CCP fees for Retirement Plan Advising Services are based on a percentage of assets under management, according to the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$999,999	0.55%
\$1,000,000 - \$4,999,999	0.45%
\$5,000,000 - \$14,999,999	0.35%
\$15,000,000 - \$29,999,999	0.30%
Over \$30,000,000	0.25%

Plan fees are generally paid at the end of each calendar quarter, based on the plan balance on the last business day of the calendar quarter. Fees will be directly debited from the account in accordance with the client authorization in the Client Services Agreement. The Custodian(s) recommended by CCP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CCP. Clients may elect to instead be invoiced on a quarterly or monthly basis.

CCP reserves the right to charge a one time start up fee for Retirement Plans at its discretion.

Limited Negotiability of Advisory Fees: Although CCP has established the aforementioned fee schedule(s), CCP retains the discretion to negotiate alternative fees on a client-by-client basis.

Client facts, circumstances and needs are considered in determining an alternative fee schedule. These include the complexity of the case, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, and reports, among other factors. As such, fee levels and structure will vary between clients.

HOURLY / FIXED FEE CONSULTING SERVICES (RETIREMENT PLANS)

CCP provides consulting services to plan participants that have requested additional services and have signed a separate advisory agreement. In addition to investment advice, which may be provided on a discretionary or non discretionary basis based on participant wishes and the availability for the advisor to provide discretionary services through the plan custodian, CCP may also provide non-securities advice on topics that may include, but are not limited to, business consulting, retirement, insurance, estate, budgetary, and education planning, personal and business tax planning in collaboration with a client's accountant and/or attorney. Clients, however, are not under any obligation to engage CCP when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client, with the exception of discretionary management of qualified plan assets when elected by the participant.

CCP's hourly consulting services fees generally range from \$250 to \$500 per hour based on the range and complexity of the services being provided and resources assigned. Fixed fee for service may also be charged for case analysis and will be based on complexity. CCP will provide an estimate for the total hours or fixed fee at the start of the consulting relationship.

Fees are due and payable prior to completion of the analysis or services. CCP reserves the right to credit any portion of this fee back to the client based on subsequent advisory engagements for asset management. The decision to credit these fees back to the client will be at the sole discretion of CCP based on each unique situation.

GENERAL INFORMATION

Termination of the Advisory Relationship: An Advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, a client agreement may be terminated at any time, by either party, for any reason upon receipt of 30 days written notice. The effective termination date will, therefore, be 30 days after written notice is received. 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, CCP will pro rate the reimbursement according to the number of days remaining in the billing period from the effective termination date.

Mutual Fund Fees: All fees paid to CCP 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 CCP services. In that case, the client would not receive the services provided by the 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 CCP's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to CCP's 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 CCP's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, CCP's minimum account requirements will differ among clients.

ERISA Accounts: CCP is deemed to be a fiduciary to 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, CCP 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, CCP may only charge fees for investment advice about products for which the firm and/or its related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which the firm and/or its related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset CCP'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 does CCP require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

Non Advisory Compensation: CCP may collect revenue related to Insurance Services that are normal and customary for the performance of those activities as described in Item 4 above.

Retirement Plan Rollovers: No client is under any obligation to rollover retirement plan assets to an account managed by CCP. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and can engage in a combination of these options): leave the money in his former employer's plan, if permitted, roll over the assets to his new employer's plan, if one is available and rollovers are permitted, rollover to an Individual Retirement Account ("IRA"), or cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If CCP recommends that a client rollover their retirement plan assets into an account to be managed by the CCP, such a recommendation creates a potential conflict of interest if CCP will earn an advisory fee on the rolled over assets. There are various factors that CCP considers before recommending a rollover, including but

not limited to: 1. the investment options available in the plan versus the investment options available in an IRA, 2. fees and expenses in the plan versus the fees and expenses in an IRA, 3. the services and responsiveness of the plan's investment professionals versus CCP, 4. protection of assets from creditors and legal judgments, required minimum distributions and age considerations. To the extent that CCP recommends that clients roll over assets from their retirement plan to an IRA managed by CCP, then CCP represents that it and its investment adviser representatives are fiduciaries under the Employment Retirement Income Security Act of 1974 ("ERISA"), or the Internal Revenue Code, or both.

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

CCP does not charge performance-based fees.

Item 7 Types of Clients

CCP 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
- Corporations and other businesses

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

METHODS OF ANALYSIS

CCP may use one or any combination of the following methods of analysis in formulating its investment advice and/or managing individual client assets:

Asset Allocation. Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets to various asset classes according to an individual's goals, risk tolerance, and investment horizon. Rather than focusing primarily on securities selection or market timing, CCP attempts to identify an appropriate ratio of available asset classes suitable to the client's circumstances. CCP regards asset allocation as one of the most important decisions an investor can make and as the principal determinant of portfolio performance. 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 asset classes will change over time due to stock and market movements and, if not corrected, may no longer be appropriate for the client's goals. Portfolio allocations will be monitored and rebalanced over time as determined by CCP.

Fundamental Analysis. CCP attempts 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.

Technical Analysis. CCP analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, CCP measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. CCP uses 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. CCP subjectively evaluates 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 in using qualitative analysis is that CCP's subjective judgment may prove incorrect.

Mutual Fund and/or ETF Analysis. CCP looks 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. CCP also looks 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. CCP also monitors 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 CCP does 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. CCP securities analysis methods rely on the assumption that the companies whose securities CCP purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While CCP is alert to indications that data may be incorrect, there is always a risk that CCP's analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

CCP may use one or any combination of 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. CCP purchases securities with the idea of holding them in the client's account for a year or longer. Typically CCP employs this strategy when:

- CCP believes the securities and/or asset classes to be currently undervalued, and/or
- CCP wants exposure to a particular asset class over time, regardless of the current projection for this class.

Long-term purchases, otherwise known as "buy-and-hold" strategies, represent the core of CCP's portfolio management philosophy. By definition, this strategy represents a passive investment strategy in which CCP holds various positions for a long period of time, regardless of short-term market fluctuations. For taxable accounts, a buy-and-hold strategy has certain tax benefits because gains from long-term investments tend to be taxed at a lower rate than those of short-term investments. A risk in a long-term purchase strategy is that by holding the security for this length of time, CCP may not take advantage of short-term gains that could be profitable to a client. Moreover, if CCP forecasts are incorrect or if the market experiences high volatility, a security may decline sharply in value before CCP makes the decision to sell.

Portfolio rebalancing. Portfolio rebalancing represents an important risk-control strategy. A portfolio's asset allocation determines the portfolio's risk and return characteristics. The purpose of establishing an asset allocation strategy is to achieve target rates of return with acceptable levels of risk. Asset allocation is a risk management technique that mixes a wide variety of investments within a portfolio (diversification). Due to market fluctuations, a portfolio's allocation will shift over time. To recapture the portfolio's original risk and return characteristics, the portfolio must be rebalanced according to the risk tolerance, time horizon, and financial goals of the individual client. CCP monitors client portfolios carefully and will determine when, or if, rebalancing activities may be necessary. Additional factors CCP will consider when implementing a rebalancing strategy include client preferences, transaction costs, and potential tax implications.

Given these considerations, clients with similar asset allocation strategies may experience different rebalancing strategies.

Short-term purchases. When utilizing this strategy, CCP purchases securities with the idea of selling them within a relatively short time (typically a year or less). CCP does this in an attempt to take advantage of conditions that CCP believes will soon result in a price swing in the securities CCP purchases.

Margin transactions. For certain clients, CCP may purchase stocks for the portfolio with money borrowed from the brokerage account. This allows clients to purchase more stock than they would be able to with their available cash, and allows us to purchase stock without selling other holdings. The use of margin involves leverage and special risks. Accordingly, the use of margin requires specific approval on an account-by-account basis. Most clients will not participate in margin related activities.

Option writing. For certain clients, CCP may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. CCP will buy a call if CCP has determined that the stock will likely increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. CCP will buy a put if CCP has determined that the price of the stock will likely fall before the option expires.

CCP typically does not use options to speculate on the possibility of a sharp price swing. CCP may use options to "hedge" a purchase of the underlying security; in other words, CCP will use an option purchase to limit the potential upside and downside of a security CCP has purchased for client portfolios.

CCP uses "covered calls", in which CCP sells an option on security clients own. In this strategy, clients receive a fee (option premium) for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price -for an agreed upon length of time.

CCP may use a "spreading strategy", in which CCP purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

The use of options involves leverage and special risks. Accordingly, the use of options requires specific approval on an account-by-account basis. Most clients will not participate in option trading activity.

Alternative Investments. Alternative investments, such as global REITs and commodities, may enhance overall diversification and provide limited protection from unexpected inflation. Alternative asset classes generally have risk and return characteristics that are a hybrid of equity and fixed income characteristics. The underlying funds selected by CCP may, in turn, invest in a broad range of equities of any market capitalization, including large-, mid and small-cap; and/or a broad range of fixed income securities of any credit quality or maturity, including U.S. Government and agency securities, municipal securities, corporate debt, and debt of foreign issuers including those located in emerging markets. Underlying funds may also invest in real estate, real estate investment trusts (REITs), commodities-related assets, high yield debt securities, 144a (private placement) debt, and they may engage in leveraged or derivative transactions, such as futures, options, swaps, and insurance-linked securities. As such, alternative investments are generally less liquid than other investments and can be harder to value, therefore increasing their risk. CCP has no control over the investment strategies, policies or decisions of the underlying funds' investment managers. CCP's only option would be to liquidate its clients' investments in an underlying fund in the event of dissatisfaction with the fund's manager.

Risk of Loss. Securities investments are not guaranteed and clients may lose money on their investments. CCP asks that clients work with us to help us understand their tolerance for risk and update us as their circumstances change over time. Clients should understand that investing in any securities, including mutual funds and exchange

traded funds, involves a risk of loss of both income and principal. Risk management disciplines such as asset allocation and portfolio rebalancing do not eliminate the risk of loss of both income and principal.

Item 9 Disciplinary Information

CCP is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of CCP's advisory business or the integrity of CCP's management. CCP and its management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Holding Company Affiliation

Clearwater Capital Advisors, LLC (DBA Clearwater Capital Partners) is primarily owned by Clearwater Capital Partners, LLC, an Illinois based holding company. This holding company does not provide any services or have any employees. It is owned as described under Item 4.

Business Consulting Firm Affiliation

Certain personnel of CCP are also personnel of the consulting firm Clearwater Capital Consulting, LLC (DBA Clearwater Capital Partners), where they provide business consulting and accounting services for separate and typical compensation. These individuals will spend the majority of their time on this practice.

No CCP client is obligated to use Clearwater Capital Consulting, LLC for any services and, conversely, no business consulting client is obligated to use the advisory services provided by us.

While there is no direct compensation for referral agreement in place, clients should be aware that this relationship creates a potential conflict of interest, and may affect the recommendations made. Clearwater Capital Consulting, LLC is wholly owned by Clearwater Capital Partners, LLC and does business as Clearwater Capital Partners.

Insurance Agency and Agent Affiliation

Certain employees are also personnel of Clearwater Capital Insurance, LLC (Formerly known as BSC Insurance Services, LLC) an affiliated insurance agency. These management personnel and employees in their individual capacities are agents of Clearwater Capital Insurance, LLC and agents for various independent insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Clearwater Capital Insurance, LLC is wholly owned by Clearwater Capital Partners, LLC and does business as Clearwater Capital Partners.

Other Company Affiliations

Alan Krause, Partner, is an employee of a privately held real estate company. Mr. Krause receives separate, yet customary compensation for his services. CCP also provides investment advice to this company. While CCP and employees endeavor at all times to put the interest of the clients first as part of CCP's fiduciary duty, clients should be aware that this relationship creates a potential conflict of interest, and may affect the recommendations made.

John Sleeting, Partner and Fixed Income Strategist, is a member of the board of directors of a privately held holding company. Mr. Sleeting receives separate, yet customary compensation for his services. Mr. Sleeting also provides investment advice to companies controlled by the holding company. While CCP and employees endeavor at all times to put the interest of the clients first as part of the firm's fiduciary duty, clients should be aware that this relationship creates a potential conflict of interest, and may affect the recommendations made.

How CCP addresses all conflicts of interests

CCP endeavors at all times to put the interest of its clients first as part of its fiduciary duty as a registered investment adviser; CCP takes the following steps to address this conflict:

- ✓ CCP discloses to clients the existence of all material conflicts of interest, including the potential for the firm and its employees to earn compensation from advisory clients in addition to the firm's advisory fees;
- ✓ CCP discloses to clients that they are not obligated to purchase recommended investment products from CCP's employees or affiliated companies;
- ✓ CCP will collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- ✓ CCP will require that employees seek prior approval of any outside employment activity so that the firm may ensure that any conflicts of interests in such activities are properly addressed;
- ✓ CCP will periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the firm; and
- ✓ CCP will educate its 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 & Personal Trading

CCP has adopted a Code of Ethics which sets forth high ethical standards of business conduct that CCP requires of employees, including compliance with applicable federal securities laws.

CCP and its personnel owe a duty of loyalty, fairness and good faith towards 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.

CCP's Code of Ethics includes policies and procedures for the review of securities transactions reports as well as initial and annual account statements for the firm's access persons. Among other things, CCP's 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. CCP's code also provides for oversight, enforcement and recordkeeping provisions.

CCP's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While CCP does not believe that it has 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 the firm's Code of Ethics is available to advisory clients and prospective clients. You may request a copy by email sent to general@ccpwealth.com, or by calling us at 847-841-8650.

CCP and individuals associated with the firm are prohibited from engaging in principal transactions.

CCP and individuals associated with the firm are prohibited from engaging in agency cross transactions.

CCP's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of 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.

The firm and/or individuals associated with the firm may buy or sell for their personal accounts securities identical to or different from those recommended to clients, provided they follow the firm's written personal trading policies. 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 CCP that no person employed by CCP may purchase or sell any reportable security 3 trading days prior to a transaction(s) being implemented for an advisory account or 3 trading days after, with the exception of ETF/ETN securities (the firm will monitor for planned same-day trading conflicts regarding ETF/ETNs). These practices prevent employee(s) from inappropriately benefiting from transactions placed on

behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to clients, CCP has established the following policies and procedures for implementing the firm's Code of Ethics, to ensure the firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

- ✓ No principal or employee of the firm may put his or her own interest above the interest of an advisory client.
- ✓ No principal or employee of the firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- ✓ It is the expressed policy of the firm that no person employed by CCP may purchase or sell any reportable security 3 trading days prior to a transaction(s) being implemented for an advisory account and 3 trading days after, with the exception of ETF/ETN securities (the firm will monitor for planned same day trading conflicts regarding ETF/ETNs). This prevents such employees from inappropriately benefiting from transactions placed on behalf of advisory accounts. All such transactions for employee accounts must receive prior approval, and will be tracked to ensure the firm's policies are followed.
- ✓ The firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- ✓ CCP maintains a list of all reportable securities holdings for the firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person").
- ✓ CCP has established procedures for the maintenance of all required books and records.
- ✓ All of CCP's principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- ✓ CCP requires delivery and acknowledgement of the Code of Ethics by each supervised person of the firm.
- ✓ CCP has established policies requiring the reporting of Code of Ethics violations to senior management.
- ✓ Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of the firm are licensed as an insurance agent of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

Item 12 Brokerage Practices

CCP does not have any formal soft-dollar arrangements and does not receive any soft-dollar benefits.

CCP does not maintain actual custody of client assets. Client assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

CCP recommends that clients establish brokerage accounts with either the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, or LPL Financial, a FINRA registered broker-dealer, member SIPC, (collectively referred to as Custodians) to maintain custody of clients' assets and to effect trades for their accounts based on direction from CCP. The final decision to custody assets with these Custodians is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA account holder. CCP is independently owned and operated and not affiliated with either Custodian. Not all advisers require clients to direct it to use a particular broker-dealer.

CCP seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared with other available providers and their services. A wide range of factors are considered, including:

- ✓ Combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- ✓ Capability to execute, clear, and settle trades (buy and sell securities in client accounts)
- ✓ Capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, Bill payment, etc.)
- ✓ Breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- ✓ Availability of investment research and tools that assist us in making investment decisions
- ✓ Quality of services
- ✓ Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- ✓ Reputation, financial strength, and stability of the provider
- ✓ Their prior service to CCP and the firm's other clients

Schwab provides CCP with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment. Schwab's services described in this paragraph generally benefit clients and their accounts.

For CCP client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into a client's Schwab accounts. Schwab's Commission rates applicable to client accounts were negotiated based on CCP's commitment to maintain a certain level of clients' assets statement equity in accounts at Schwab. This commitment benefits clients because the overall commission rates they pay are lower than they would be if CCP had not made the commitment. In addition to commissions Schwab charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that is executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's Schwab account. These fees are in addition to the commissions or other compensation client's pay the executing broker-dealer. Because of this, in order to minimize client trading costs, CCP has Schwab execute most trades for client accounts when they are acting as custodian.

Schwab also makes available to CCP other products and services that benefit the firm but may not directly benefit its clients' accounts. These benefits may include national, regional or firm specific educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of CCP by Schwab Advisor Services personnel, including meals, invitations to special events and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist CCP in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of CCP's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of CCP's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to CCP other services intended to help the firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to CCP by independent third parties. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CCP. While, as a fiduciary, CCP endeavors to act in its clients' best interests, CCP's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to CCP of the availability of some of the foregoing products and services and other arrangements and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

CCP also receives benefits as a result of having clients custody assets and effect trades through LPL Financial which include (provided without cost or at a discount): duplicate client statements and confirmations; research related products and tools; consulting services ; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to CCP by third party vendors. LPL Financial may also pay or reimburse expenses (including travel, lodging, and meal expenses) for CCP's personnel to attend conferences or meetings relating to the program or to LPL Financial' s adviser custody and brokerage services generally.

Some of the products and services made available by LPL Financial may benefit CCP but may not directly benefit client accounts. These products or services may assist us in managing and administering client accounts, including accounts not maintained at LPL Financial. Other services made available by LPL Financial are intended to help us manage and further develop CCP's business enterprise. The benefits received by CCP through participation in the program do not depend on the amount of brokerage transactions directed to LPL Financial. Clients should be aware, however, that the receipt of economic benefits by CCP or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the recommendation of LPL Financial for custody and brokerage services.

As a matter of policy and practice, CCP does not exclusively block client trades and, therefore, CCP often implements client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. If block trades are utilized, each client will receive the average share price and transaction costs will be shared equally and on a pro-rata basis so no client will benefit more than others.

Item 13 Review of Accounts

WRAP FEE PROGRAM INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within the Program accounts are continually monitored, these accounts are reviewed periodically. 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. Automated position and/or security target tolerance reports may also be utilized to trigger a manual review.

Accounts are reviewed periodically by the advisor of record for each client relationship. At the time of these periodic reviews, the advisor of record may or may not direct that specific accounts be further reviewed by the John E. Chapman as the Chief Investment Strategist or by members of the firm's Investment Policy Committee.

Supervisory review of accounts are performed by John E. Chapman, or his delegate, on a periodic basis.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, CCP periodically provides additional reports summarizing account performance, balances and holdings as part of CCP's regular client review process.

INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT

REVIEWS: While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed periodically. 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. Automated position and/or security target tolerance reports may also be utilized to trigger a manual review.

Accounts are reviewed periodically by the advisor of record for each client relationship. At the time of these

periodic reviews, the advisor of record may or may not direct that specific accounts be further reviewed by the John E. Chapman as the Chief Investment Strategist or by members of the firm's Investment Policy Committee.

Supervisory review of accounts are performed by John E. Chapman, or his delegate, on a periodic basis.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, CCP periodically provides additional reports summarizing account performance, balances and holdings as part of CCP's regular client review process.

RETIREMENT PLAN ADVISING SERVICES

REVIEWS: CCP will review the client's Investment Menu on an ongoing basis, in addition to whenever the client advises us of a change in circumstances regarding the needs of the plan. CCP will also review the investment menu of the plan according to the agreed upon time intervals established with the client. Such reviews will generally occur several times a year.

Accounts are reviewed periodically by the advisor of record for each client relationship, or their delegate. The advisor of record may or may not direct that specific plans be further reviewed by John E. Chapman as the Chief Investment Strategist or by members of the firm's Investment Policy Committee.

REPORTS: These client accounts will receive reports as contracted for at the inception of the advisory relationship.

Item 14 Client Referrals and Other Compensation

It is CCP's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to the firm.

In the course of providing advice to clients, CCP employees may make referrals to other professional service providers, such as attorneys and accountants. CCP bases those referrals on client circumstances, past experiences, and personal knowledge of the provider and are provided in good faith. However, CCP is not responsible for services provided by a third party referred by CCP employees. Clients should be aware that some services professionals referred by CCP also refer clients to CCP. As stated above, while no formal referral relationship exists, and CCP receives no direct compensation for referrals to third parties, this could present a potential conflict of interest when determining which service provider a CCP employee recommends. Clients are not required to use service providers referred by CCP.

CCP reserves the right to pay for accounting fees charged in relation to a referral of an advisory client to an accountant at its discretion.

CCP receives an economic benefit from Schwab and LPL Financial in the form of the support products and services it makes available to the firm and other independent investment advisors that have their clients maintain accounts there. These products and services, how they benefit CCP, and the related conflicts of interest are described above (see Item 12 – Brokerage Practices). The availability of the Custodian's products and services to CCP is not based on giving particular investment advice, such as buying particular securities for clients.

Item 15 Custody

Under government regulations, CCP is deemed to have custody of client assets if clients authorize CCP to instruct the Custodian to deduct CCP's advisory fees directly from client accounts and for facilitating withdrawals to 3rd party recipients (including wire transfers). The Custodian maintains actual custody of client assets. CCP previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that the firm directly debits advisory fees from client accounts.

As part of this billing process, LPL calculates the amount of the fee to be deducted from that client's account(s) on the LPL platform, while CCP calculates the amount of the fee to be deducted from that client's account for accounts on the Schwab platform and provides it to Schwab for processing. 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.

It is important for clients to carefully review their custodial statements to verify the accuracy of the fee 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, CCP also provides performance and holding statements directly to clients as part of regular client communications. CCP urges clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

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

CCP's 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; and/or
- determine when to buy or sell the security

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

CCP may also provide non-securities advice on topics that may include, but are not limited to, business consulting, retirement, insurance, estate, budgetary, education/goal planning, personal and business tax planning in collaboration with a client's accountant and/or attorney. Clients, however, are not under any obligation to engage CCP when considering implementation of these advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Item 17 Voting Client Securities

As a matter of firm policy, CCP does not vote proxies on behalf of clients. Therefore, although the firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients will generally directly receive copies of all proxies and shareholder communications relating to the client's investment assets. In certain circumstances a custodian may require that proxies and shareholder communications be sent to CCP. Clients should be aware the CCP will not take action on these communications. CCP will forward these communications to the client upon client request. CCP may provide clients with consulting assistance regarding proxy issues if they contact us with questions at CCP's principal place of business.

Item 18 Financial Information

As an advisory firm that maintains discretionary authority for client accounts, CCP is required to disclose any financial condition that is reasonably likely to impair the firm's ability to meet contractual obligations. CCP has no additional financial circumstances to report. Under no circumstances does CCP require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, CCP is not required to include a financial statement. CCP has not been the subject of a bankruptcy petition at any time during the past ten years.



Part 2B of Form ADV: *Brochure Supplement*

**John E Chapman, Managing Partner,
Chief Executive Officer,
Chief Investment Strategist**

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about John Chapman that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about John Chapman is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Full Legal Name: John E Chapman

Born: 1962

Education: University of Illinois; Bachelor of Science, Finance; 1984

Business Experience

- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Managing Partner - Chief Executive Officer - Chief Investment Strategist; from 03/2006 to Present
- Clearwater Capital Insurance Services, LLC (Formerly BSC Insurance Services, LLC); Managing Partner; from 12/2009 to Present
- RBC Dain Rauscher; Managing Director - Senior Vice President; from 05/2003 to 10/2005
- Wachovia Securities; Senior Vice President - Director of Professional Development; from 06/1996 to 05/2003
- Chase Manhattan Investment Services, In.; National Sales Manager; from 05/1992 to 06/1996
- Prudential Securities, Inc.; Vice President; from 12/1987 to 05/1992
- Merrill Lynch; Account Executive; from 05/1984 to 12/1987

Designations

John E Chapman does not currently have any active designations.

Item 3 Disciplinary Information

John E Chapman has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

John E Chapman is also engaged in the following investment-related activities:

Insurance company or agency

John E Chapman is the Managing Partner of Clearwater Capital Insurance Services, LLC. This presents a conflict of interest to the extent that an insurance client purchases an insurance product recommended by Mr. Chapman which results in an insurance commission being paid to a company he is affiliated with. Mr. Chapman spends less than five percent of his time functioning this capacity and does not receive insurance commissions related to his advisory client services.

B. Non Investment-Related Activities

John E. Chapman is an active voting board member of the Advocate Charitable Foundation. In this capacity, Mr. Chapman volunteers alongside other community leaders to advocate for this non-profit organization in fulfilling its mission to improve the health status of the communities it serves. John E. Chapman is also an active member of the

Advocate Sherman Hospital Resource Development Council. Mr. Chapman does not receive compensation associated with this activity. This activity takes up less than 5% of Mr. Chapman's time.

John E. Chapman is an active member of the Advocate Sherman Hospital Board of Directors. In this capacity, Mr. Chapman works alongside other community leaders to manage the organization. Mr. Chapman receives nominal compensation associated with this activity, which amounts to less than 1% of his annual compensation. This activity takes up less than 5% of Mr. Chapman's time.

John E. Chapman serves as the Executive Director of the Clearwater Capital Foundation. In this capacity, Mr. Chapman works alongside the Foundation's Board of Directors to support select charitable organizations and community programs. Mr. Chapman does not receive compensation associated with this activity. This activity takes up less than 5% of Mr. Chapman's time.

John E. Chapman 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

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

Item 6 Supervision

As the Managing Partner, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Chapman's compliance with all applicable policies, procedures and laws.

Supervisor: Jeffrey P DeHaan
Title: Partner, Chief Compliance Officer
Phone Number: (847)841-8650



Part 2B of Form ADV: *Brochure Supplement*

John W. Sleeting, Partner
Fixed Income Strategist

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about John W Sleeting that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about John W. Sleeting is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Full Legal Name: John W Sleeting

Born: 1968

Education

- University of Maryland; M.B.A., Finance; 1995
- United States Coast Guard Academy; B.S. , Management; 1990

Business Experience

- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Partner - Fixed Income Strategist; from 03/2009 to Present
- GE Capital; S.V.P. Financial Structuring, Strategy & Operations; from 03/2005 to 02/2009
- Motorola; Director Finance & Pricing; from 01/2001 to 03/2005
- GE Capital; V.P. Finance & Risk Management; from 03/1997 to 01/2001
- United States Coast Guard; Budget Officer; from 06/1995 to 03/1997
- United States Coast Guard; Graduate School; from 06/1994 to 06/1995
- United States Coast Guard; Planning Analyst; from 06/1992 to 06/1994
- United States Coast Guard; Operations Officer; from 06/1990 to 06/1992

Designations

John W Sleeting has earned the following designation(s) and is in good standing with the granting authority:

- Certified Estate & Trust Specialist (CES™); Institute of Business & Finance; 2012

The Institute of Business & Finance (IBF) confers this graduate-level designation upon candidates who complete a 135+ hour educational program focusing on trusts, wills, probate, retirement benefits, caring for children, and what should be done after the death of a loved one. Tens of trillions of dollars are expected to pass from one generation to another during the next half century. Estate planning strategies and structure along with proper execution and stewardship will be critical aspects of one's legacy. CES™ certification requires mastery of different types of trusts, ownership rules, disinheritance, probate, pay-on-death accounts, insurance, spousal restrictions, special needs, conservatorships, and managing assets. Students must pass three comprehensive exams and a written case study as well as adhere to the IBF Code of Ethics and IBF Standards of Practice as well as fulfill annual continuing education requirements.

Item 3 Disciplinary Information

John W Sleeting has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

John W Sleeting is also engaged in the following investment-related activities:

Insurance company or agency

John W. Sleeting is a licensed insurance agent appointed with numerous Life and Long Term Care insurance companies in Illinois and Wisconsin. In such a capacity he may offer insurance products and receive customary insurance commissions as a result of insurance transactions related to these activities. This presents a conflict of interest to the extent that an insurance client purchases an insurance product recommended by Mr. Sleeting which results in an insurance commission being paid to him. Mr. Sleeting spends less than fifteen percent of his time functioning in an insurance capacity and does not receive insurance commissions related to his advisory client services.

B. Non Investment-Related Activities

John W. Sleeting serves as an Elder at Willow Creek Community Church . In this capacity, Mr. Sleeting works alongside other volunteers across the greater Chicago area to guide and manage the functions of the organization in coordination with its mission. Mr. Sleeting does not receive compensation associated with this activity. This activity takes up less than 10% of Mr. Sleeting's time.

John W. Sleeting Chairs the Governance Board of the Cox Family Holding (CFH) Company. Mr. Sleeting receives nominal compensation associated with this activity, which amounts to less than 2% of his annual compensation. This activity takes up less than 5% of Mr. Sleeting's time.

John W. Sleeting is an active member of the Board of Directors of the BSC Private Wealth Foundation. In this capacity, Mr. Sleeting works alongside the other board members to advocate for this non-profit organization in fulfilling its mission. Mr. Sleeting does not receive compensation associated with this activity. This activity takes up less than 5% of Mr. Sleeting's time.

John W. Sleeting 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

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

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P. DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Sleeting's compliance with all applicable policies, procedures and laws.

Supervisor: John E. Chapman
Title: Chief Executive Officer, Chief Investment Strategist
Phone Number: (847) 841-8650

Supervisor: Jeffrey P. DeHaan
Title: Chief Compliance Officer
Phone Number: (847) 841-8650



Part 2B of Form ADV: *Brochure Supplement*

Jeffrey P DeHaan
Partner
Chief Compliance Officer

2800 W. Higgins Road
Suite 2015
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about Jeffrey P DeHaan that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact John E. Chapman at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about Jeffrey P DeHaan is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: Jeffrey P DeHaan **Born:** 1986

Education

- University of Illinois Urbana-Champaign; Bachelor of Science, Finance; 2009
- University of Illinois Urbana-Champaign; Bachelor of Science, Business Administration: Marketing; 2009

Business Experience

- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Partner; from 7/1/2018 to Present
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Chief Compliance Officer; from 3/15/2013 to Present
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Senior Wealth Advisor; from 3/15/2013 to 7/1/2018
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Financial Advisor; from 1/4/2010 to 3/15/2013
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Intern; from 6/1/2008 to 1/4/2010

Designations

Jeffrey P DeHaan has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™ (CFP®); Certified Financial Planner Board of Standards, Inc.; 2014

The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience, agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards and complete 30 hours of continuing education every two years.

- Accredited Investment Fiduciary® (AIF®); Center for Fiduciary Studies; 2012

The AIF® designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment process. To receive the AIF® designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF® Code of Ethics. In order to maintain the AIF® designation, the individual must annually renew their affirmation of the AIF® Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC.

- Accredited Wealth Management AdvisorSM (AWMA®); College for Financial Planning; 2008

The College for Financial Planning® awards the Accredited Wealth Management AdvisorSM and AWMA® designation to individuals who successfully obtain advanced, yet practical knowledge about these critical aspects of the financial services industry: asset management, allocation, and selection; investment performance and strategies; and taxation of investment products. The coursework also includes training in investment for retirement, strategies for small business owners, and the management of deferred compensation plans. In addition, instruction will cover insurance, estate planning, asset protection, and tax reduction issues. Additionally, designees must comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions.

Continued use of the AWMA® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AWMA® designation by: completing 16 hours of continuing education; reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

Item 3 Disciplinary Information

Jeffrey P DeHaan has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

Jeffrey P DeHaan is also engaged in the following investment-related activities:

Insurance company or agency

Jeffrey P. DeHaan is a Partner with Clearwater Capital Partners and is a licensed insurance agent appointed with numerous insurance companies. In such a capacity he may offer insurance products and receive customary insurance commission as a result of insurance transactions related to these activities. This presents a conflict of interest to the extent that an insurance client purchases an insurance product recommended by Mr. DeHaan which results in an insurance commission being paid to him. Mr. DeHaan spends less than five percent of his time functioning in an insurance capacity and does not receive insurance commissions related to his advisory client services.

B. Non Investment-Related Activities

Jeffrey P. DeHaan is a voting member of the City of Crystal Lake, IL Economic Development Committee. In this capacity, Mr. DeHaan volunteers alongside other community leaders in an effort to attract, retain, and grow businesses in the City.

Jeffrey P. DeHaan is a member of the Board of Directors of the United Way for Greater McHenry, serving as the President of the Board of Directors. In this capacity, Mr. DeHaan volunteers alongside other community leaders in an effort to inspire and steward philanthropy in support of the United Way of Greater McHenry County's mission to enhance the quality of life for those in need by facilitating access to resources.

Jeffrey P. DeHaan is a member of the Board of Directors of Crime Stoppers for McHenry

County, and acts as the organization's Treasurer. In this capacity, Mr. DeHaan volunteers alongside other community leaders to further the organization's mission of making the community safer by partnering with law enforcement to solicit and reward anonymous tips that prevent, stop and solve crime. Mr. DeHaan does not have signatory power over organization assets.

Jeffrey P. DeHaan 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

Jeffrey P DeHaan does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm.

Supervisor: John E. Chapman
Title: Chief Executive Officer, Chief Investment Strategist
Phone Number: (847)841-8650



Part 2B of Form ADV: *Brochure Supplement*

Tyler J Beachler
Director of Portfolio Management

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about Tyler J Beachler that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about Tyler J Beachler is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Full Legal Name: Tyler J Beachler

Born: 1990

Education

- Taylor University; Bachelor of Science, Finance; 2012

Business Experience

- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Director of Portfolio Management; from 02/01/2019 to Present
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Senior Analyst; from 07/01/2016 to 02/01/2019
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Operations Manager; from 07/01/2016 to 02/01/2019
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Operations Analyst; from 07/02/2012 to 07/01/2016
- LPL Financial; Licensed Admin; from 07/02/2012 to 02/20/2018
- Guillaume & Freckman, Inc; Intern; from 06/2011 to 08/2011
- Taylor University; Student; from 09/2008 to 05/2012
- Westminster Presbyterian Church; Custodian; from 06/2009 to 02/2010

Designations

Tyler J. Beachler has earned the following designation(s) and is in good standing with the granting authority:

- Accredited Wealth Management Advisor (AWMA®); College for Financial Planning; 2013

The College for Financial Planning® awards the Accredited Wealth Management AdvisorSM and AWMA® designation to individuals who successfully obtain advanced yet practical knowledge about these critical aspects of the financial services industry: asset management, allocation, and selection; investment performance and strategies; and taxation of investment products. The coursework also includes training in investment for retirement, strategies for small business owners, and the management of deferred compensation plans. In addition, instruction will cover insurance, estate planning, asset protection, and tax reduction issues. Additionally, designees must comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions.

Continued use of the AWMA® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AWMA® designation by: completing 16 hours of continuing education; reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

- Certified Investment Management AnalystSM; Investment Management Consultants Association; 2016

The Certified Investment Management Analyst (CIMA) designation is awarded by the Investment Management Consultants Association. Each candidate must successfully complete a pre-qualifying exam, an in-person or online educational program, and certifying exam. The professional must have a minimum of three years experience in investment consulting and fulfill continuing education requirements.

Item 3 Disciplinary Information

Tyler J Beachler has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

Tyler J Beachler is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

B. Non Investment-Related Activities

Tyler J Beachler 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

Tyler J Beachler does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Beachler's compliance with all applicable policies, procedures and laws.

Supervisor: John E. Chapman
Title: Chief Executive Officer, Chief Investment Strategist
Phone Number: (847) 841-8650

Supervisor: Jeffrey P. DeHaan
Title: Chief Compliance Officer
Phone Number: (847) 841-8650



Part 2B of Form ADV: *Brochure Supplement*

**Kevin G Carani
Director – Institutional Advisory Services**

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about Kevin G Carani that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about Kevin G Carani is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: Kevin G Carani

Born: 1962

Education

- Northern Illinois University; MBA; 1998
- Bradley University; Bachelor of Science, Finance; 1984

Business Experience

- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Director - Institutional Advisory Services; from 11/10/2014 to Present
- West Suburban Bank; Director Consumer Lending ; from 03/2009 to 10/2014
- Shamrock Bancorp; President, Owner; from 01/1995 to 02/2009

Designations

Kevin G Carani has earned the following designation(s) and is in good standing with the granting authority:

- Accredited Investment Fiduciary™ (AIF®); Center for Fiduciary Studies; 2014

The AIF® designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment process. To receive the AIF® designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIF® Code of Ethics. In order to maintain the AIF® designation, the individual must annually renew their affirmation of the AIF® Code of Ethics and complete six hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC.

- Chartered Retirement Plans Specialistsm (CRPS®); College for Financial Planning; 2015

Individuals who hold the CRPS® designation have completed a course of study encompassing design, installation, maintenance and administration of retirement plans. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process. Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

Item 3 Disciplinary Information

Kevin G Carani has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

1. Kevin G Carani is not engaged in any other investment-related activities.
2. Kevin G Carani does not receive commissions, bonuses or other compensation

on the sale of securities or other investment products.

B. Non Investment-Related Activities

Kevin G Carani acts as the Facility Manager for Westminster Presbyterian Church. In this capacity, Mr. Carani is responsible for maintaining the church facilities. Mr. Carani receives compensation associated with this activity, which amounts to less than 15% of his annual compensation. This activity takes up less than 10% of Mr. Carani's time
Kevin G. Carani 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

Kevin G Carani does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Carani's compliance with all applicable policies, procedures and laws.

Supervisor: John E. Chapman
Title: Chief Executive Officer, Chief Investment Strategist
Phone Number: (847) 841-8650

Supervisor: Jeffrey P. DeHaan
Title: Chief Compliance Officer
Phone Number: (847) 841-8650



Part 2B of Form ADV: *Brochure Supplement*

Gregory W Davis
Director, Senior Wealth Advisor

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about Gregory W Davis that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about Gregory W Davis is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Full Legal Name: Gregory W Davis

Born: 1965

Education

- DePaul University; MBA, Finance; 1994
- University of Illinois Urbana-Champaign; B.S., Finance; 1987

Business Experience

- Clearwater Capital Partners (formerly BSC Private Wealth Management, LLC); Director, Senior Wealth Advisor;
from 9/2015 to Present
- BMO Private Bank; Director - Wealth Advisor; from 04/2006 to 08/2015
- JPMorgan Private Client Services; Wealth Advisor; from 05/2000 to 04/2006
- First Chicago/NBD-Bank One; Foreign Exchange Trader; from 10/1989 to 05/2000

Designations

Gregory W Davis has earned the following designation(s) and is in good standing with the granting authority:

- CERTIFIED FINANCIAL PLANNER™; Certified Financial Planner Board of Standards, Inc.; 2003

The program is administered by the Certified Financial Planner Board of Standards Inc. Those with the CFP® designation have demonstrated competency in all areas of finance related to financial planning. Candidates complete studies on over 100 topics, including stocks, bonds, taxes, insurance, retirement planning and estate planning. In addition to passing the CFP® certification exam, candidates must also complete qualifying work experience, agree to adhere to the CFP Board's code of ethics and professional responsibility and financial planning standards and complete 30 hours of continuing education every two years.

- Certified Trust and Financial Advisor; Institute of Certified Bankers; 2002

The program is administered by the Institute of Certified Bankers, a subsidiary of the American Bankers Association. Those with the CFTA designation have met the Association's Professional Experience and Education requirements, have provided a letter of recommendation from their manager attesting to their qualification for certification, have signed the Institute of Certified Banker's Professional Code of Ethics statement. Candidates must also pass an exam covering areas of knowledge that include fiduciary and trust activities, financial planning, tax law and planning, and investment management. Candidates must complete 45 continuing education credits every three years.

Item 3 Disciplinary Information

Gregory W Davis has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

Gregory W Davis is also engaged in the following investment-related activities:

Insurance company or agency

Gregory W Davis is a licensed insurance agent appointed with numerous insurance companies. In such a capacity he may offer insurance products and receive customary insurance commission as a result of insurance transactions related to these activities. This presents a conflict of interest to the extent that an insurance client purchases an insurance product recommended by Mr. Davis which results in an insurance commission being paid to him. Mr. Davis spends less than five percent of his time functioning in an insurance capacity and does not receive insurance commissions related to his advisory client services.

B. Non Investment-Related Activities

Gregory W Davis is a Partner of Moabo Stables, LLC, which owns and manages thoroughbred race horses. Mr. Davis spends less than 5% of his time on average with this activity, and receives nominal compensation, which amounts to less than 1% of his annual compensation.

Gregory W Davis is a member of the Board of Directors for the Northwest Suburban Estate Planning Council. In this capacity, Mr. Davis works alongside other volunteers to promote awareness of estate planning services provided by members, and to enhance the quality of those services by encouraging members to maintain the highest possible professional and ethical standards. Mr. Davis does not receive compensation associated with this activity. This activity takes up less than 5% of Mr. Davis' time.

Gregory W Davis is a member of the Board of Directors and acts as Business Development Chairman for Bridge Youth and Family Services. In this capacity, Mr. Davis works alongside other volunteers to promote the organizations goal of providing comprehensive counseling and therapy services to children and families facing emotional or behavioral problems. Mr. Davis does not receive compensation associated with this activity. This activity takes up less than 5% of Mr. Davis' time.

Gregory W Davis 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

Gregory W Davis does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Davis' compliance with all applicable policies, procedures and laws.

Supervisor: John E. Chapman
Title: CEO, Chief Investment Strategist
Phone Number: (847) 841-8650

Supervisor: Jeffrey P. DeHaan
Title: Chief Compliance Officer
Phone Number: (847) 841-8650



Part 2B of Form ADV: *Brochure Supplement*

**James F Chapman
Wealth Advisor
Chief Innovation Officer**

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about James F Chapman that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about James F Chapman is available on the SEC's website at www.adviserinfo.sec.gov

Item 2 Educational Background and Business Experience

Full Legal Name: James F Chapman **Born:** 1994

Education

- Illinois State University; Bachelor of Science, Finance; 2016

Business Experience

- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Wealth Advisor, Chief Innovation Officer; from 6/01/2016 to Present
- Clearwater Capital Partners (Formerly BSC Private Wealth Management, LLC); Business Development Analyst; from 6/01/2010 to 6/01/2016

Designations

James F Chapman has earned the following designation(s) and is in good standing with the granting authority:

- Accredited Wealth Management Advisor (AWMA®); College for Financial Planning; 2015

The College for Financial Planning® awards the Accredited Wealth Management AdvisorSM and AWMA® designation to individuals who successfully obtain advanced, yet practical knowledge about these critical aspects of the financial services industry: asset management, allocation, and selection; investment performance and strategies; and taxation of investment products. The coursework also includes training in investment for retirement, strategies for small business owners, and the management of deferred compensation plans. In addition, instruction will cover insurance, estate planning, asset protection, and tax reduction issues. Additionally, designees must comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions.

Continued use of the AWMA® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AWMA® designation by: completing 16 hours of continuing education; reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.

Item 3 Disciplinary Information

James F Chapman has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

James F. Chapman is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

B. Non Investment-Related Activities

James F Chapman 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

James F Chapman does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P. DeHaan, Chief Compliance Officer, will be responsible for monitoring James F. Chapman's compliance with all applicable policies, procedures and laws.

Supervisor: John E. Chapman
Title: CEO, Chief Investment Strategist
Phone Number: (847)841-8650

Supervisor: Jeffrey P. DeHaan
Title: Chief Compliance Officer
Phone Number: (847) 841-8650



Part 2B of Form ADV: *Brochure Supplement*

**Austin C. Baron
Associate Advisor in Residency**

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

03/29/2019

This brochure supplement provides information about Austin C. Baron that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about Austin C. Baron is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Full Legal Name: Austin C. Baron

Born: 1994

Education

- Illinois State University; Bachelor of Science, Managerial Economics & Finance; 2017

Business Experience

- Clearwater Capital Partners; Associate Advisor in Residency; from 12/2017 to Present
- Millennium Trust Company; Financial Planning & Analysis Analyst; from 07/2017 to 11/2017
- State Farm; Bank Analyst Intern; from 01/2016 to 11/2016

Designations

Austin C. Baron has no reportable designations.

Item 3 Disciplinary Information

Austin C. Baron has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

Austin C. Baron is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

B. Non Investment-Related Activities

Austin C. Baron 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

Austin C. Baron does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P. DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Baron's compliance with all applicable policies, procedures and laws.

Supervisor:	John E. Chapman
Title:	Chief Executive Officer, Chief Investment Strategist
Phone Number:	(847) 841-8650
Supervisor:	Jeffrey P. DeHaan
Title:	Chief Compliance Officer
Phone Number:	(847) 841-8650



Part 2B of Form ADV: *Brochure Supplement*

**Joshua M. Beachler
Wealth Advisor**

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169
(847)841-8650

Clearwater Capital Partners

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

10/01/2019

This brochure supplement provides information about Joshua M. Beachler that supplements the Clearwater Capital Partners brochure. You should have received a copy of that brochure. Please contact Jeffrey P. DeHaan at 847-841-8650 if you did not receive Clearwater Capital Partners' brochure or if you have any questions about the contents of this supplement.

Additional information about Joshua M. Beachler is available on the SEC's website: www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

Full Legal Name: Joshua M. Beachler

Born: 1993

Education

- Taylor University; Bachelor of Science, Finance; 2016

Business Experience

- Clearwater Capital Partners; Wealth Advisor; from 08/2019 to Present
- Bank of America/Merrill Lynch; Financial Advisor; from 8/2016 – 8/2019
- Guillaume & Freckman; Intern; from 6/2015 – 8/2015
- Westminster Christian School Business Office; Intern; from 6/2013 – 8/2013; 6/2014 – 8/2014

Designations

Joshua M. Beachler has no reportable designations.

Item 3 Disciplinary Information

Joshua M. Beachler has no reportable disciplinary history.

Item 4 Other Business Activities

A. Investment-Related Activities

Joshua M. Beachler is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

B. Non Investment-Related Activities

Joshua M. Beachler 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

Joshua M. Beachler does not receive any economic benefit from a non-advisory client for the provision of advisory services.

Item 6 Supervision

As the Chief Executive Officer, and Chief Investment Strategist of Clearwater Capital Partners, John E. Chapman has supervisory responsibilities for all aspects of the firm. Jeffrey P. DeHaan, Chief Compliance Officer, will be responsible for monitoring Mr. Beachler's compliance with all applicable policies, procedures and laws.

Supervisor:	John E. Chapman
Title:	Chief Executive Officer, Chief Investment Strategist
Phone Number:	(847) 841-8650
Supervisor:	Jeffrey P. DeHaan
Title:	Chief Compliance Officer
Phone Number:	(847) 841-8650



Part 2A Appendix 1 of Form ADV: *Wrap Fee Program Brochure*

Clearwater Capital Partners

Main Office:

2800 W. Higgins Road
Suite 1025
Hoffman Estates, IL 60169

Telephone: 847-841-8650
Email: general@ccpwealth.com
Web Address: www.ccpwealth.com

Clearwater Capital Partners Strategic Wealth Management Program

03/14/2019

This brochure provides information about the qualifications and business practices of Clearwater Capital Partners. If you have any questions about the contents of this brochure, please contact us at 847-841-8650 or general@ccpwealth.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 Clearwater Capital Partners 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. The firm's CRD number is 139886.

Item 2 Material Changes

Consistent with SEC rules, Clearwater Capital Partners (CCP) seeks to ensure that client's receive a summary of any material changes to CCP's Disclosure Brochures, including this Form ADV Part 2A Appendix 1, within 120 days after the close of CCP's fiscal year. CCP may also provide clients with other disclosures at other times during the year in the event of any material changes to its business. Clients can then determine whether to review the brochure in its entirety or to contact CCP with questions about the changes.

The following is a summary of some of the new or revised disclosures based on information previously provided in the Firm Brochure dated 02/16/2018:

- Updates to Services, Fees & Compensation under Item 4 include:
 - The Services section has been updated to include interests in partnerships investing in debt and/or equity, both public and private on the list of products the firm may generally advise on in the program.
 - Fees and Compensation section has been updated to clarify that clients with accounts at LPL will be billed quarterly, while clients with accounts at Charles Schwab & Company will be billed monthly, and clarified fee credit timing. An update was also made to further detail the 30 day written notification requirement for the termination of the advisory relationship
- Updates to Portfolio Manager Selection and Evaluation under Item 6 include:
 - Alternative Investments has been added to the firm's Investment Strategies section, describing their strategies, risks and other considerations when investing in an alternative investment.
 - The voting Client Securities section has been updated to reflect that the firm will not vote client proxies even when required to receive them by the custodian under specific circumstances.

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Item 4 Services, Fees & Compensation

Clearwater Capital Advisors, LLC Doing Business As (DBA) Clearwater Capital Partners (CCP) is an SEC-registered investment adviser with its principal place of business located in Illinois. Clearwater Capital Partners began conducting business in 2006 as BSC Private Wealth Management, LLC.

CCP sponsors the Clearwater Capital Strategic Wealth Management Program (the "Program"), a wrap fee program. A wrap fee program is an advisory program under which a specified fee or fees not based directly on transactions in the client's account is charged for advisory services, which includes portfolio management and the execution of client transactions.

This Wrap Fee Program Brochure is limited to describing the services, fees, and other necessary information clients should consider prior to becoming a client within the Program. For a complete description of the other services offered by the firm and the fees charged for those services, clients should refer to the Form ADV Part 2: Firm Brochure.

You may obtain a copy of the Firm Brochure by contacting us at 847-841-8650 or general@ccpwealth.com.

CCP sponsors and acts as the sole investment manager to the Program. CCP manages assets for many different types of clients to help meet their financial goals while remaining sensitive to risk tolerance and time horizons. As a fiduciary it is CCP's duty to always act in the client's best interest. This is accomplished in part by knowing the client. The firm has established a service-oriented advisory practice with open lines of communication. Working with clients to understand their investment objectives, while educating them about CCP's process, facilitates the kind of working relationship CCP values.

Services

CCP provides the Wrap Advisory Services based on each individual client's financial circumstances and investment objectives. CCP meets with each client to discuss the client's current financial condition and to review the client's current investment holdings. Based upon each client's circumstances, CCP determines an appropriate asset allocation for the client's investment portfolio in accordance with the client's specific financial objectives and risk tolerance and in consideration of other factors, including the client's time horizon (education funding, home purchase, retirement, legacy planning), liquidity needs, and in some cases other available resources (including external retirement plans, projected social security, outside investments, real estate, and insurance). Each client's financial objectives, risk tolerance, and liquidity needs, along with a recommended asset allocation, are incorporated into their ongoing investment strategy. CCP's wrap fee program allows clients to pay a single fee for investment advisory services and associated custodial transaction costs.

As described below, recommended custodians make other products and services available to us (see "Products and Services Available from the Custodian"). Consequently, CCP may have an incentive to recommend that a client participate in CCP's wrap fee program and open account(s) with these custodians. That incentive may be based on the firm's interest in receiving the products and services rather than based on having the most appropriate fee arrangement for CCP's investment advisory services and the best value in custody services and the most favorable execution of client transaction. CCP believes, however, that CCP's recommendation to the wrap fee program, including the use of an independent custodian and broker, is in the best interests of those of clients to whom CCP recommends it based on (a) an assessment of their investment objectives, financial situation, CCP's investment plans and anticipated trading activity in their accounts and all other relevant factors, and (b) the scope quality and price of the custodian's services and not based on the Custodian's payment for third party services that may not directly benefit the client.

CCP manages Program accounts on a discretionary basis only. Continual account supervision is guided by the stated objectives of the client. CCP offers advice through the Program with respect to portfolios which may include any of the following securities:

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

- Options contracts on securities equity, both public and private
- Interests in partnerships investing in real estate • Interests in partnerships investing in oil and gas interest
- Interests in partnerships investing in debt and/or

CCP's investment recommendations are not limited to any specific product or service offered by a broker dealer or insurance company. Client portfolios primarily consist of exchange-traded funds ("ETFs"), mutual funds (no-load or load-waived), and/or closed-end funds ("CEFs"). However, client portfolios may include some individual stocks and fixed income securities, as well as other securities listed above.

CCP's clients are advised to promptly notify CCP if there are ever any changes in their financial situation or investment objectives which may impact how his/her account should be managed or if they wish to impose any reasonable restrictions upon CCP's management services.

Fees and Compensation

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

<u>Assets Under Management</u>	<u>Marginal Annual Fee</u>
\$0 - \$2,000,000	1.000%
\$2,000,001 - \$5,000,000	0.750%
\$5,000,001 - \$10,000,000	0.550%
\$10,000,001 - \$25,000,000	0.250%
\$25,000,001 - \$50,000,000	0.225%
\$50,000,001 - \$100,000,000	0.180%
\$100,000,001 -	0.125%

As an example, a client with \$6,000,000 in Assets Under Management may be charged 1.00% on the first \$2,000,000 of Assets, 0.750% on the next \$3,000,000 of Assets, and 0.550% on the final \$1,000,000 of Assets.

For clients with accounts at Schwab, CCP's fees are generally billed monthly, in advance, at the beginning of each calendar month based upon the value (market value or fair market value in the absence of market value). CCP's fees are generally 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.

The client may make additions to and withdrawals from the account at any time, subject to CCP's right to terminate an account. If assets are deposited into an account the fee payable with respect to such assets will be prorated based on the number of days remaining in the billing cycle. Clients may withdraw account assets with notice to CCP, subject to the usual and customary securities settlement procedures. In the event of a distribution, CCP shall refund its unearned fee for that billing cycle based on the number of days remaining. However, CCP designs its portfolios as long-term investments and asset withdrawals may impair the achievement of the client's investment objectives. All fee adjustments due to flows will be made during the fee cycle following the flow(s).

For the initial month of investment management services, the first month's fees shall be calculated on a pro rata basis. The Agreement between CCP and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. CCP's fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner subject to the 30 day notice requirement.

While CCP does not require a minimum account size for the Program, clients should be aware that accounts with smaller values will typically, out of necessity, hold fewer positions in higher concentrations than other

client accounts. As a result, these accounts may experience a greater degree of volatility.

Fees will be directly debited in advance from the account in accordance with the client authorization in the Client Services Agreement. The Custodian(s) recommended by CCP have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to CCP.

General Fee Information

What services are covered by the Program fees? The Program fees pay for the firm's advisory services to clients under the Program, the administrative expenses of the Program, the trade execution charges for trades on the clients' assets custodied at the recommended Custodians.

What services are not covered by the Program fees? The Program fees do not cover brokerage to the extent trades are conducted through brokers or dealers other than the recommended Custodians (trade away fees) and custody charges if client assets are custodied anywhere other than the recommended Custodians. The Program fees do not include the expenses associated with mutual funds, ETFs, or CEFs (such as fund management fees charged to each fund's investors), mark-ups, mark-downs, spreads paid to market makers, and/or odd-lot differential fees.

Other Fees and Expenses. Clients may incur charges from the Custodian for other account services provided not directly related to the execution and clearing of transactions, including, but not limited to, IRA custodial fees, safekeeping fees, wire transfer fees, interest charges on margin loans, exchange fees, and fees for transfers of securities. CCP does not retain any portion of these charges.

Additional Information about Program Fees. Under the Program, the participant receives investment advisory services, the execution of securities brokerage transactions, and reporting services for a single specified Program Fee. Clients are cautioned that depending on the level of fees charged by the executing broker-dealer, and the amount of portfolio activity in the clients' account, the value of the services provided under this Program may exceed the total cost of such services had they been provided separately. In addition, the Program Fee may be higher or lower than that charged by other sponsors of comparable wrap fee programs. Inasmuch as CCP will pay the execution costs of securities transactions executed in Program client accounts, a disincentive exists to enter trades on behalf of Program participants. Further, the Custodian charges different execution costs for different but similar securities. While CCP endeavors to always make investment decisions based on the needs of the client, it should be noted that an incentive exists to utilize lower execution cost funds.

Negotiability of Fees. Although CCP has established the aforementioned fee schedule(s), CCP retains the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining an alternative fee schedule. These include the complexity of the case, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style, account composition, reports, among other factors. As such, fee levels and structure will vary between clients. CCP 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 CCP's advisory clients, may be offered to family members and friends of associated persons of the firm. The specific annual fee schedule is identified in the contract between the advisor and each client.

Grandfathering of Fees. A pre-existing advisory client may be subject to Clearwater's Program fees in effect at the time that client entered into the advisory relationship. Therefore, the firm's fees will differ among clients.

Termination of the Advisory Relationship. An Advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, 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, CCP will pro rate the reimbursement according to the number of days remaining in the billing period subject to the 30 day notice requirement.

Fund Fees. All fees paid to Clearwater for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, ETFs, and CEFs (each a "Fund" and, collectively, the "Funds") 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 or marketing fee, known as a 12b-1 fee. These 12b-1 fees are considered an operational expense and, as such, are included in a fund's expense ratio. The firm does NOT receive any portion of these fees.

A client could invest in a Fund directly, without CCP's services. In that case, the client would not receive the services provided by the firm which are designed, among other things, to assist the client in determining which 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 CCP's fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

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 higher, similar, or lower fees.

Limited Trade Aggregation. Transactions for Program clients generally will be effected independently, unless CCP decides to purchase or sell the same securities for several Program clients at approximately the same time. CCP may (but is not obligated to) combine or batch such orders to improve transaction execution, to negotiate more favorable commission rates, or to allocate equitably among CCP's Program clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among CCP's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that CCP determines to aggregate client orders for the purchase or sale of securities CCP shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. CCP shall not receive any additional compensation or remuneration as a result of the aggregation.

Compensation

It is CCP's policy not to engage solicitors or to pay related or non-related persons for referring potential Program clients to the firm.

Item 5 Account Requirements & Types of Clients

As previously disclosed above in Item 4, CCP has established an annual percentage based fee based on the nature of the services being provided. CCP, in its sole discretion, may adjust its annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. While Clearwater Capital does not require a minimum account size for the Program, clients should be aware that accounts with smaller values will typically, out of necessity, hold fewer positions in higher concentrations than other client accounts. As a result, these accounts may experience a greater degree of volatility.

CCP 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
- Corporations and other businesses

Item 6 Portfolio Manager Selection and Evaluation

Selection of Portfolio Managers

The firm's investment adviser representatives ("IAR"s) act as portfolio manager(s) for this wrap fee program. CCP's IARs are subject to individual licensing requirements as imposed by relevant governing bodies. The firm is required to confirm or update each IAR's Form U4 on an annual basis. IAR supervision is conducted by CCP's Chief Compliance Officer or management personnel.

Advisory Business

Information about CCP's wrap fee services can be found in Item 4 of this brochure. CCP offers individualized investment advice to Wrap Program clients.

Each participant in the program has the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio. Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty this would entail in managing the account.

Participation in Wrap Fee Programs

CCP only offers wrap fee accounts to clients, which are managed on an individualized basis according to the client's investment objectives, financial goals, risk tolerance, etc.

Performance-Based Fees

CCP does not charge performance-based fees for the services provided in the Program.

Methods of Analysis

CCP may use one or any combination of the following methods of analysis in formulating investment advice and/or managing individual client assets:

Fundamental Analysis. CCP attempts 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.

Technical Analysis. CCP analyzes past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical Analysis. In this type of technical analysis, CCP measures the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

Quantitative Analysis. CCP uses 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. CCP subjectively evaluates 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 in using qualitative analysis is that CCP's subjective judgment may prove incorrect.

Mutual Fund and/or ETF Analysis. CCP looks 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. CCP also looks 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. CCP also monitors 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 CCP does 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. CCP's securities analysis methods rely on the assumption that the companies whose securities CCP purchases and sells, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While CCP is alert to indications that data may be incorrect, there is always a risk that the analysis may be compromised by inaccurate or misleading information.

Investment Strategies

CCP may use one or any combination of 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:

Asset Allocation. Asset allocation is an investment strategy that aims to balance risk and reward by apportioning a portfolio's assets to various asset classes according to an individual's goals, risk tolerance, and investment horizon. Rather than focusing primarily on securities selection or market timing, CCP attempts to identify an appropriate ratio of available asset classes suitable to the client's circumstances. CCP regards asset allocation as one of the most important decisions an investor can make and as the principal determinant of portfolio performance. 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 asset classes will change over time due to stock and market movements and, if not corrected, may no longer be appropriate for the client's goals. Portfolio allocations will be monitored and rebalanced over time as determined by CCP.

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

- ✓ CCP believes the securities and/or asset classes to be currently undervalued, and/or
- ✓ CCP wants exposure to a particular asset class over time, regardless of the current projection for this class.

Long-term purchases, otherwise known as "buy-and-hold" strategies, represent the core of CCP's portfolio management philosophy. By definition, this strategy represents a passive investment strategy in which CCP holds various positions for a long period of time, regardless of short-term market fluctuations. For taxable accounts, a buy-and-hold strategy has certain tax benefits because gains from long-term investments tend to be taxed at a lower rate than those of short-term investments. A risk in a long-term purchase strategy is that by holding the security for this length of time, CCP may not take advantage of short-term gains that could be profitable to a client. Moreover, if CCP's forecasts are incorrect or if the market experiences high volatility, a security may decline sharply in value before CCP makes the decision to sell.

Portfolio rebalancing. Portfolio rebalancing represents an important risk-control strategy. A portfolio's asset allocation determines the portfolio's risk and return characteristics. The purpose of establishing an asset allocation strategy is to achieve target rates of return with acceptable levels of risk. Asset allocation is a risk management technique that mixes a wide variety of investments within a portfolio (diversification). Due to market fluctuations, a portfolio's allocation will shift over time. To recapture the portfolio's original risk and return characteristics, the portfolio must be rebalanced according to the risk tolerance, time horizon, and financial goals of the individual client. CCP monitors client portfolios carefully and will determine when, or if, rebalancing activities may be necessary. Additional factors CCP will consider when implementing a rebalancing strategy include client preferences, and potential tax implications.

Given these considerations, clients with similar asset allocation strategies may experience different rebalancing strategies.

Short-term purchases. When utilizing this strategy, CCP purchases securities with the idea of selling them within a relatively short time (typically a year or less). CCP does this in an attempt to take advantage of

conditions that CCP believes will soon result in a price swing in the securities purchased.

Margin transactions. For certain clients, CCP may purchase stocks for the portfolio with money borrowed from the brokerage account. This allows clients to purchase more stock than they would be able to with their available cash, and allows CCP to purchase stock without selling other holdings. The use of margin involves leverage and special risks. Accordingly, the use of margin requires specific approval on an account-by-account basis. Most clients will not participate in margin related activities.

Option writing. For certain clients, CCP may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- ✓ A call gives holders the right to buy an asset at a certain price within a specific period of time. CCP will buy a call if we have determined that the stock will likely increase substantially before the option expires.
- ✓ A put gives the holder the right to sell an asset at a certain price within a specific period of time. CCP will buy a put if we have determined that the price of the stock will likely fall before the option expires.

CCP typically does not use options to speculate on the possibility of a sharp price swing. CCP may use options to "hedge" a purchase of the underlying security; in other words, CCP will use an option purchase to limit the potential upside and downside of a security CCP has purchased for client portfolios.

CCP may use "covered calls", in which CCP sells an option on security clients own. In this strategy, clients receive a fee (option premium) for making the option available, and the person purchasing the option has the right to buy the security from the client at an agreed-upon price -for an agreed upon length of time.

CCP may use a "spreading strategy", in which CCP purchases two or more option contracts (for example, a call option that the client buys and a call option that the client sells) for the same underlying security. This effectively puts the client on both sides of the market, but with the ability to vary price, time and other factors.

The use of options involves leverage and special risks. Accordingly, the use of options requires specific approval on an account-by-account basis. Most clients will not participate in option trading activity.

Alternative Investments. Alternative investments, such as global REITs and commodities, may enhance overall diversification and provide limited protection from unexpected inflation. Alternative asset classes generally have risk and return characteristics that are a hybrid of equity and fixed income characteristics. The underlying funds selected by CCP may, in turn, invest in a broad range of equities of any market capitalization, including large-, mid and small-cap; and/or a broad range of fixed income securities of any credit quality or maturity, including U.S. Government and agency securities, municipal securities, corporate debt, and debt of foreign issuers including those located in emerging markets. Underlying funds may also invest in real estate, real estate investment trusts (REITs), commodities-related assets, high yield debt securities, 144a (private placement) debt, and they may engage in leveraged or derivative transactions, such as futures, options, swaps, and insurance-linked securities. As such, alternative investments are generally less liquid than other investments and can be harder to value, therefore increasing their risk. CCP has no control over the investment strategies, policies or decisions of the underlying funds' investment managers. CCP's only option would be to liquidate its clients' investments in an underlying fund in the event of dissatisfaction with the fund's manager.

Risk of Loss

Securities investments are not guaranteed and client's may lose money on their investments. CCP asks that clients work with the firm to help us understand their tolerance for risk. Clients should understand that investing in any securities, including mutual funds and exchange traded funds, involves a risk of loss of both income and principal. Risk management disciplines such as asset allocation and portfolio rebalancing do not eliminate the risk of loss of both income and principal.

Voting Client Securities

CCP does not accept the proxy authority to vote client securities. Clients will generally receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to the firm, the firm will forward them to the appropriate client and ask the party who sent them to mail them directly to the client in the future. In certain circumstances a custodian may require that proxies and shareholder communications be sent to CCP. Clients should be aware the CCP will not take action on these communications. CCP will forward these communications to the client upon client request. Clients may call, write or email CCP to discuss questions they may have about particular proxy votes or other solicitations.

Item 7 Client Information Provided to Portfolio Manager(s)

Individuals affiliated with the firm are responsible for developing an initial financial profile of the prospective client. Prior to opening an account, CCP assists in determining a participant's profile for the Program by obtaining from the participant appropriate information (i.e., investment objectives, risk tolerance, time horizon, and any reasonable restrictions the client wishes to impose upon the management of the account). Initial investment strategy is jointly determined based on an assessment of the information provided by the client. Please see the firm's Privacy Policy for more information on how the firm utilizes client information.

While CCP may provide the client with periodic reminders, it remains the client's responsibility to advise the firm of any changes to the information previously provided that might impact the ongoing suitability of any prior determined investment strategy(ies) and/or objectives. CCP will promptly communicate any reported changes to the client's portfolio manager.

Item 8 Client Contact with Portfolio Manager(s)

CCP does not place any restrictions on a client's ability to contact and consult with their portfolio managers. All clients have direct access to the Clearwater professional(s) managing their account(s).

Item 9 Additional Information

Disciplinary Information

CCP is required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of its management. CCP and its management personnel have no reportable disciplinary events to disclose.

Financial Industry Activities and Affiliations

Holding Company Affiliation

Clearwater Capital Advisors, LLC (DBA Clearwater Capital Partners) is wholly owned by Clearwater Capital Partners, LLC, and Illinois based holding company. This holding company does not provide any services or have any employees. It is owned as described under Item 4.

Business Consulting Firm Affiliation

Certain personnel of the firm are also personnel of the consulting firm Clearwater Capital Consulting, LLC (DBA Clearwater Capital Partners), where they provide business consulting and accounting services for separate and typical compensation. These individuals will spend the majority of their time on this practice.

No CCP client is obligated to use Clearwater Capital Consulting, LLC for any services and, conversely, no business consulting client is obligated to use the advisory services provided by us.

While there is no direct compensation for referral agreement in place, clients should be aware that this relationship creates a potential conflict of interest, and may affect the recommendations made. Clearwater Capital Consulting, LLC is wholly owned by Clearwater Capital Partners, LLC and does business as Clearwater Capital Partners.

Insurance Agency and Agent Affiliation

Certain employees are also personnel of Clearwater Capital Insurance, LLC (Formerly known as BSC Insurance Services, LLC) an affiliated insurance agency. These management personnel and employees in their individual capacities are agents of Clearwater Capital Insurance, LLC and agents for various independent insurance companies. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client. Clearwater Capital Insurance, LLC is wholly owned by Clearwater Capital Partners, LLC and does business as Clearwater Capital Partners. Clients should be aware that the receipt of additional compensation by CCP's management persons or employees creates a conflict of interest and gives these individuals an incentive to recommend insurance and investment products based on the compensation received, rather than on a client's needs. CCP endeavors at all times to put the interest of clients first as part of CCP's fiduciary duty as a registered investment adviser

Other Company Affiliations

Alan Krause, Partner, is an employee of a privately held real estate company. Mr. Krause receives separate, yet customary compensation for his services. CCP also provides investment advice to this company. While CCP and employees endeavor at all times to put the interest of the clients first as part of CCP's fiduciary duty, clients should be aware that this relationship creates a potential conflict of interest, and may affect the recommendations made.

John Sleeting, Partner and Fixed Income Strategist, is a member of the board of directors of a privately held holding company. Mr. Sleeting receives separate, yet customary compensation for his services. Mr. Sleeting also provides investment advice to companies controlled by the holding company. While CCP and employees endeavor at all times to put the interest of the clients first as part of CCP's fiduciary duty, clients should be aware that this relationship creates a potential conflict of interest, and may affect the recommendations made.

How CCP address all conflicts of interests

CCP endeavors at all times to put the interest of its clients first as part of CCP's fiduciary duty as a registered investment adviser; CCP takes the following steps to address this conflict:

- ✓ CCP discloses to clients the existence of all material conflicts of interest, including the potential for the firm and its employees to earn compensation from advisory clients in addition to the firm's advisory fees;
- ✓ CCP discloses to clients that they are not obligated to purchase recommended investment products from firm employees or affiliated companies;
- ✓ CCP collects, maintains and documents accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- ✓ The firm's management conducts periodic reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- ✓ CCP requires that employees seek prior approval of any outside employment activity so that the firm may ensure that any conflicts of interests in such activities are properly addressed;
- ✓ CCP periodically monitors these outside employment activities to verify that any conflicts of interest continue to be properly addressed by the firm; and
- ✓ CCP educates its employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

CCP has adopted a Code of Ethics which sets forth high ethical standards of business conduct that CCP requires of its employees, including compliance with applicable federal securities laws.

CCP and its personnel owe a duty of loyalty, fairness and good faith towards 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.

CCP's Code of Ethics includes policies and procedures for the review of securities transactions reports as well as initial and annual account statements that must be submitted by the firm's access persons. Among other things, the 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. The code also provides for oversight, enforcement and recordkeeping provisions.

CCP's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While CCP do not believe that it has 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 CCP's Code of Ethics is available to advisory clients and prospective clients. You may request a copy by email sent to general@ccpwealth.com, or by calling us at 847-841-8650.

CCP and individuals associated with the firm are prohibited from engaging in principal transactions.

CCP and individuals associated with the firm are prohibited from engaging in agency cross transactions.

CCP's Code of Ethics is designed to assure that the personal securities transactions, activities and interests of 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.

The firm and/or individuals associated with the firm may buy or sell for their personal accounts securities identical to or different from those recommended to clients, provided they follow the firm's written personal trading policies. 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 the firm that no person employed by CCP may purchase or sell any reportable security 3 trading days prior to a transaction(s) being implemented for an advisory account or 3 trading days after, with the exception of ETF/ETN securities (the firm will monitor for planned same-day trading conflicts regarding ETF/ETNs). These practices prevent employee(s) from inappropriately benefiting from transactions placed on behalf of advisory accounts.

As these situations represent actual or potential conflicts of interest to clients, CCP has established the following policies and procedures for implementing the firm's Code of Ethics, to ensure the firm complies with its regulatory obligations and provides clients and potential clients with full and fair disclosure of such conflicts of interest:

- ✓ No principal or employee of the firm may put his or her own interest above the interest of an advisory client.
- ✓ No principal or employee of the firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- ✓ It is the expressed policy of CCP that no person employed by CCP may purchase or sell any reportable security 3 trading days prior to a transaction(s) being implemented for an advisory account and 3 trading days after, with the exception of ETF/ETN securities (the firm will monitor for planned same day trading conflicts regarding ETF/ETNs). This prevents such employees from inappropriately benefiting from transactions placed on behalf of advisory accounts. All such transactions for employee accounts must receive prior approval, and will be tracked to ensure the firms policies are followed
- ✓ The firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- ✓ CCP maintains a list of all reportable securities holdings for the firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are

reviewed on a regular basis by the firm's Chief Compliance Officer or his/her designee.

- ✓ CCP has established procedures for the maintenance of all required books and records.
- ✓ All of CCP's principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- ✓ CCP requires delivery and acknowledgement of the Code of Ethics by each supervised person of the firm.
- ✓ CCP has established policies requiring the reporting of Code of Ethics violations to senior management.
- ✓ Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure, related persons of the firm are separately licensed as an insurance agent of various insurance companies. Please refer to Item 9 for a detailed explanation of these relationships and important conflict of interest disclosures.

Review of Accounts

REVIEWS: While the underlying securities within the Program accounts are continually monitored, these accounts are reviewed periodically. 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. Automated position and/or security target tolerance reports may also be utilized to trigger a manual review.

Accounts are reviewed periodically by the advisor of record for each client relationship. At the time of these periodic reviews, the advisor of record may or may not direct that specific accounts be further reviewed by the John E. Chapman as the Chief Investment Strategist or by members of the firm's Investment Policy Committee.

Supervisory review of accounts are performed by John E. Chapman, or his delegate, on a periodic basis.

REPORTS: In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, CCP periodically provides additional reports summarizing account performance, balances and holdings as part of the regular client review process.

Other Compensation

In addition to compensating the firm for portfolio management, and other services to clients, the wrap fees clients' pay the firm also allows us to pay the Custodian for the brokerage services it provides to clients. The fees the firm pays the Custodian consist of fees that would otherwise be charged to clients. These fees may include (a) flat dollar per trade fees for the Custodian's prime brokerage, (b) transaction-based fees imposed on the Custodian by regulatory organizations and exchanges and fees to offset processing costs incurred by the Custodian for the exchange of securities for equity, options or other covered security sell transaction, and (c) short-term redemption fees on no-transaction-fee mutual funds.

Products & Services Available from the Custodian

The Custodian provides the firm and clients with access to their institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to retail customers. The Custodians also make available various support services. Some of those services help manage or administer client accounts while others help manage and grow the business. The Custodian's support services are generally available on an unsolicited basis (the firm does not have to request them) and at no charge. The availability to CCP of the Custodian's products and services is not based on CCP giving particular investment advice, such as buying particular securities for clients. These products and services, how they benefit the firm, and the related conflicts of interest are described in the Firm brochure (see Item 12 – Brokerage Practices). A summary description of the Custodian's support services follows:

Services that Benefit Clients

The Custodian's institutional brokerage services include access to a broad range of investment products,

execution of securities transactions, and custody of client assets. The Custodian may also aid in the payment of fees associated with a custodial transfer. The investment products available through the Custodian include some to which the firm might not otherwise have access to or that would require a significantly higher minimum initial investment by firm clients. The Custodian's services described in this paragraph generally benefit clients and their accounts.

Services that May Not Directly Benefit Clients

The Custodian also makes available other products and services benefiting the firm but may not directly benefit clients or their accounts. These products and services assist in managing and administering client accounts. They include investment research, both the Custodian's and that of third parties. This research may be used to service all or some substantial number of client accounts, including accounts not maintained at the Custodian. In addition to investment research, the Custodian also makes available software and other technology that provides access to client account data (such as duplicate trade confirmations and account statements), facilitates trade execution and allocate aggregated trade orders for multiple client accounts, provides pricing and other market data, facilitates payment of fees from clients' accounts, and assists with back-office functions, recordkeeping and client reporting. In addition, the Custodian may make available, arrange and/or pay vendors for these types of services rendered to CCP by independent third parties. The Custodian may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to CCP.

Services that Generally Benefit Only CCP

The Custodian also offers other services intended to help manage and further develop CCP's business enterprise. These services include marketing, educational conferences and events, technology, compliance, legal, and business consulting, publications and conferences on practice management and business succession, and access to employee benefits providers, human capital consultants, and insurance providers. The Custodian may provide some of these services itself. In other cases the Custodian will arrange for third-party vendors to provide the services to the firm. The Custodian may also discount or waive fees for some of these services or pay all or a part of a third party's fees. The Custodian may also provide the firm with other benefits such as occasional business entertainment for firm personnel.

Irrespective of direct or indirect benefits to clients through the Custodian, the firm strives to enhance the client experience, help clients reach their goals, and put client interests before that of the firm or associated persons.

Client Referrals

The firm does not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to the firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Financial Information

As an advisory firm that maintains discretionary authority for client accounts, CCP is required to disclose any financial condition that is reasonably likely to impair the firm's ability to meet the firm's contractual obligations. CCP has no additional financial circumstances to report. Under no circumstances does CCP require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, CCP is not required to include a financial statement. CCP has never been the subject of a bankruptcy petition at any time.