

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

Applicant: Ceera Investments, LLC	SEC File Number: 801-	Date: 03-11-2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Ceera Investments, LLC</b>	IRS Empl. Ident. No.: <b>20-2643460</b>
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Part II, No. 1-D

**Advisory Services and Fees.**

**Services:**

- The applicant LLC (“Ceera” or “Ceera Investments”) provides continuous investment advisory services on a fee-only, discretionary basis (managed accounts) to various types of clients, pursuant to investment advisory contracts.
- After digesting the information supplied by a client on his/her/its financial situation, objectives, time horizon, and risk tolerance, the applicant LLC makes appropriate investments in the client’s account to best meet their long-term goals. The investment vehicles used comprise an appropriate mix of individual securities and/or mutual funds (primarily no-load).
- The applicant LLC invests principally in publicly-traded equity securities and equity mutual funds. In selecting these investments, safety of principal (within the context of the asset class) and an adequate return are important considerations. While identifying individual securities, the principal method used is a disciplined investment process to identify securities that, in its opinion, are trading (in the market place) at an appropriate discount to a calculated intrinsic worth of these securities. While identifying mutual funds, the applicant LLC will give due consideration to past performance, transaction fees, expense ratios, management style and investment philosophy. The applicant LLC also invests in fixed income securities and/or mutual funds.
- Periodically, the applicant LLC may provide financial planning services that include tax planning, insurance planning, retirement planning and estate planning. Financial planning services may include consultations and/or written plans, which analyze a client’s financial situation and make appropriate recommendations.

**Fees:**

Clients can choose either a Management Fee Schedule or a Performance Fee Schedule (offered to “qualified clients” (per securities laws and defined in detail below)).

**Management Fees Schedule:**

- The annual negotiable fee is up to 1.75% of the assets under management, depending on the size, complexity of a client’s account, and other business considerations.
- Fees are computed based upon the average of the month end market values of all managed assets in an account on the last day of each month in the calendar quarter, as reported by the custodian. To determine the month-end market values, the asset value of an account is computed by adding the market value of all long positions. Fees are payable at the end of each quarter for services in the prior three months. Fees for the initial and final billing period will be prorated for the number of days management services were provided.
- All fees paid to the applicant LLC are separate from the fees and expenses charged by the management of investment vehicles used in a client’s account such as a mutual fund, exchange traded fund, or real estate investment trust (REIT).
- Brokerages or trustees may charge transaction fees for the purchase or redemption (or sale) of shares of mutual funds (or individual securities).
- Periodically, for advisory situations where the amount of time and resources cannot be clearly determined upfront, an hourly fee arrangement may be available. The negotiable hourly fee is up to \$300 and is paid after the consultations.
- The “other” refers to the service the applicant LLC may provide clients by selecting and monitoring other money managers (registered in clients’ State of residence) on their behalf. When it does so the other money managers pay the applicant LLC a portion of the fees generated by the referred clients - clients do not directly pay for this service.

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**Performance Fees Schedule:**

**Ceera Investments also offers "qualified clients" (per securities laws and defined in detail below) the following types (TYPE I or TYPE II) of negotiable performance-based fee arrangements.**

- **The performance fee is assessed at the end of a calendar year** and for accounts created during a calendar year, the first calendar year's performance fees are calculated based on a hurdle rate that has been pro-rata (and /or a pro-rata Asset Management Fee, as applicable) for the remainder period of the calendar year.
- Any such account that is terminated during a calendar year will have performance fees calculated based on a hurdle rate that has been pro-rata (and /or a pro-rata Asset Management Fee, as applicable) for the period of the calendar year that the account was under management.
- **Advisory clients choosing the Performance Fee Schedule understand that this fee arrangement may create the incentive for increased risk, and that Ceera may receive more compensation due to the inclusion of unrealized appreciation.**

◇ **TYPE I Performance Fee (Hurdle Rate Method-"HRM"):**

Client agrees to an annual hurdle rate, typically around 6% a year, or a specified Benchmark-- customized or otherwise. **Under this performance fee schedule, there are fees only if the hurdle rate is exceeded.** The performance fee kicks in only if Advisor generates a **time-weighted annual return in excess of the hurdle rate.** Such a performance fee will equal to:

- **25%** of the returns in excess of the hurdle rate during a year. To account for any contributions or withdrawals during a year, this performance fee is based on an Adjusted Year Beginning Market Value (AYBMV) calculated as shown below:

Adjusted Year Beginning Market Value (AYBMV) Calculation

AYBMV is defined as = (Year End Market Value-Year Beginning Market Value-NCW)/Time-Weighted Annual Return, where

NCW=Net Contribution (Withdrawals) during Year= Additional principal contributions, less principal withdrawals and performance fees paid from the portfolio during the Year

**OR**

- If the hurdle is a benchmark, an agreed upon Asset Management Fee, as a percent of assets under management, based on a calculated average (month end values) during the year.

**TYPE I Performance Fee Examples & Scenarios: Please note that these are some scenarios for illustrative purposes only. Actual results/ fees can vary widely depending on the situation and so please consider all likely scenarios and resulting fees before considering this Fee Schedule .**

-A Scenario with portfolio return lower than the hurdle:

There will be no Performance Fees applicable that Year.

-A Scenario with portfolio return higher than the hurdle and with no contributions / withdrawals during the Year:

Current Year Beginning Market Value= \$500,000; Year End (Dec 31<sup>st</sup>) Market Value= \$550,000; Hurdle Rate= 6%; Portfolio Return (Time-Weighted) during the Year=10%

NCW=Net Contributions (Withdrawals) = \$0

Adjusted Year-Beginning Market Value (AYBMV) = {\$550,000 - \$500,000-(\$0)}/0.1= \$500,000

Performance Fees for the Year = 25% \* {10%-6%}\* AYBMV = 0.25\*0.04\* \$500,000 = \$5,000

-A Scenario with portfolio return higher than the hurdle and with net contributions / withdrawals during the Year:

Current Year Beginning Market Value= \$500,000; Year End (Dec 31<sup>st</sup>) Market Value= \$495,000; Hurdle Rate= 6%; Portfolio Return (Time-Weighted) during the Year=10%; Principal Contributions during the Year = \$10,000; Principal Withdrawals during the Year = \$55,000; Performance Fees paid from the portfolio during the Year (for

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	<p>the Prior Year) = \$5,000;</p> <p style="padding-left: 40px;">NCW=Net Contributions (Withdrawals) = +\$10,000-\$55,000-\$5,000= (\$50,000) Adjusted Year-Beginning Market Value (AYBMV) = {\$495,000 – \$500,000-(\$50,000)}/0.1= \$450,000</p> <p>Performance Fees for the Year = 25% * {10%-6%}* AYBMV = 0.25*0.04* \$450,000 = <u>\$4,500</u></p> <p><u>-A Scenario with a Negative return(s) in prior Year(s) and a Positive return, significantly higher than hurdle, during the recently concluded Year:</u> Inception Principal= \$500,000; Current Year Beginning Market Value= \$400,000; Year End (Dec 31<sup>st</sup>) Market Value= \$480,000; Hurdle Rate= 6%; Portfolio Return (Time-Weighted) during the Year=20%</p> <p style="padding-left: 40px;">NCW=Net Contributions (Withdrawals) = \$0 Adjusted Year-Beginning Market Value (AYBMV) = {\$480,000 – \$400,000-(\$0)}/0.2= \$400,000</p> <p>Performance Fees for the Year = 25% * {20%-6%}* AYBMV = 0.25*0.14* \$400,000 = <u>\$14,000</u> .</p> <p><b>This scenario illustrates a situation wherein Performance Fees become applicable even though Year End Market Value DOES NOT exceed Inception Principal.</b></p> <p><u>-A Scenario with portfolio return significantly higher than the hurdle rate:</u> Inception Principal= \$500,000; Current Year Beginning Market Value= \$700,000; Year End (Dec 31<sup>st</sup>) Market Value= \$840,000; Hurdle Rate= 6%; Portfolio Return (Time-Weighted) during the Year=20%</p> <p style="padding-left: 40px;">NCW=Net Contributions (Withdrawals) = \$0 Adjusted Year-Beginning Market Value (AYBMV) = {\$840,000 – \$700,000-(\$0)}/0.2= \$700,000</p> <p>Performance Fees for the Year = 25% * {20%-6%}* AYBMV = 0.25*0.14* \$700,000 = <u>\$24,500</u></p> <p>◇ <b><u>TYPE II Performance Fee (Watermark Method):</u></b></p> <p>Type II Fee Schedule provides a form of downside performance watermark for the Client since inception, i.e. there are no performance fees during a year unless Advisor generates “Profits in Excess” of “Net Principal Contributions” from inception to date, <u>and</u> exceeds a hurdle rate of return. On the other hand, this schedule makes room for an Asset Management Fee to the Advisor, at a minimum and irrespective of the performance of the portfolio, for its management services during the year. Under this method, for a given year, the Performance Fee and Asset management Fee for a portfolio shall be calculated pursuant to the following formula:</p> <p>Performance Fee = <u>Lesser</u> of Fee A or Fee B, where:</p> <p>Fee A = <b>25%</b> of the profits in excess of an annual hurdle rate (typically around 6%) during the year, calculated under the HRM described in Type I above.</p> <p>Fee B = <b>25%</b> of the profits in excess of a Market Value Hurdle (“MVH”) for the portfolio, further defined as follows: MVH= Net Principal Contributions to the account from inception to the end of the calendar year. “Net Principal Contributions” = Initial principal contribution, plus additional principal contributions, less principal withdrawals and performance fees paid from the portfolio. “Profits in excess” = Portfolio market value at December 31<sup>st</sup> close, less MVH.</p> <p>Fee C = Asset Management Fee, where: Fee C = <b>0.5%</b> of the Average Month-End Assets Under Management during the calendar year. <b>Fee C shall only be applicable where the Performance Fee is calculated to be zero or below the amount calculated for Fee C, in which event the client will be charged the Asset Management Fee in lieu of the Performance Fee.</b></p> <p><b><u>TYPE II Performance Fee Examples &amp; Scenarios: Please note that these are some scenarios for illustrative purposes only. Actual results/ fees can vary widely depending on the situation and so please consider all likely scenarios and resulting fees before considering this Fee Schedule .</u></b></p> <p><u>-A Scenario with portfolio return lower than the hurdle:</u> Market Value Hurdle (MVH) =\$600,000; Current Year Beginning Market Value= \$600,000; Year End (Dec 31<sup>st</sup>) Market Value= \$612,000; Hurdle Rate= 6%; Portfolio Return during the Year=2%; Average Month-End Assets Under Management (AUM) during Year= \$604,000; Net Contributions (Withdrawals) (NCW) during the Year= \$0.</p>

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	<p>Fee A= \$0 (i.e. because portfolio return was not in excess of hurdle rate, there is no "profits in excess")                      Fee B= \$3,000 (i.e. 0.25* (612,000-600,000))                      Fee C= \$3,020 (i.e. 0.005*604,000)</p> <p>Performance Fee is \$0 but Fee C will become applicable in this case and therefore the Fee for the Year would be Fee C=<u>\$3,020</u>.</p> <p><u>-A Scenario with portfolio return higher than the hurdle:</u>                      Market Value Hurdle (MVH) =\$600,000; Current Year Beginning Market Value= \$600,000; Year End (Dec 31<sup>st</sup>)                      Market Value= \$660,000; Hurdle Rate= 6%; Portfolio Return during the Year=10%; Average Month-End Assets                      Under Management (AUM) during Year= \$615,000; Net Contributions (Withdrawals) (NCW) during the Year= \$0.</p> <p>Fee A= \$6,000 (i.e. 0.25*0.04*\$600,000)                      Fee B= \$15,000 (i.e. 0.25* (660,000-600,000))                      Fee C= \$3,075 (i.e. 0.005*615,000)</p> <p>Performance Fee A will become applicable in this case and therefore the Fee for the Year would be Fee A=<u>\$6,000</u>.</p> <p><u>-A Scenario with Negative portfolio return:</u>                      Market Value Hurdle (MVH) =\$600,000; Current Year Beginning Market Value= \$600,000; Year End (Dec 31<sup>st</sup>)                      Market Value= \$550,000; Hurdle Rate= 6%; Portfolio Return during the Year= (8.33%); Average Month-End                      Assets Under Management (AUM) during Year= \$582,000; Net Contributions (Withdrawals) (NCW) during the                      Year= \$0.</p> <p>Fee A= \$0 (i.e. because portfolio return was not in excess of hurdle rate, there is no "profits in excess")                      Fee B= \$0 (i.e. because Year End Market Value is below MVH, there is no "profits in excess")                      Fee C= \$2,910 (i.e. 0.005*582,000)</p> <p>Performance Fee is \$0 but Fee C will become applicable in this case and therefore the Fee for the Year would be Fee C=<u>\$2910</u>.</p> <p><u>-A Scenario with a Negative return(s) in prior Year(s) and a Positive return, significantly higher than hurdle, during the recently concluded Year:</u>                      Market Value Hurdle (MVH) =\$600,000; Current Year Beginning Market Value= \$466,207; Year End (Dec 31<sup>st</sup>)                      Market Value= \$606,590; Hurdle Rate= 6%; Portfolio Return during the Year=30.11%; Average Month-End Assets                      Under Management (AUM) during Year= \$527,244; Net Contributions (Withdrawals) (NCW) during the Year= \$0.</p> <p>Fee A= \$28,102 (i.e. 0.25*(0.3011-0.06)*(\$606,590-466,207)/0.3011)                      Fee B= \$1,647.5 (i.e. 0.25* (606,590-600,000))                      Fee C= \$2,636.2 (i.e. 0.005*527,244)</p> <p>Performance Fee is \$1,647.5 but Fee C will become applicable in this case and therefore the Fee for the Year would be Fee C=<u>\$2,636.2</u>.</p> <p><u>-A Scenario with portfolio return significantly higher than the hurdle rate:</u>                      Market Value Hurdle (MVH) =\$600,000; Current Year Beginning Market Value= \$700,000; Year End (Dec 31<sup>st</sup>)                      Market Value= \$840,000; Hurdle Rate= 6%; Portfolio Return during the Year=20%; Average Month-End Assets                      Under Management (AUM) during Year= \$785,000; Net Contributions (Withdrawals) (NCW) during the Year= \$0.</p> <p>Fee A= \$24,500 (i.e. 0.25*(0.20-0.06)*(\$840,000-700,000)/0.2)                      Fee B= \$60,000 (i.e. 0.25* (\$840,000-600,000))                      Fee C= \$3,925 (i.e. 0.005*\$785,000)</p> <p>Performance Fee A will become applicable in this case and therefore the Fee for the Year would be Fee A=<u>\$24,500</u>.</p>

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Part II, No. 6	<p><b><u>“Qualified Clients” include the following:</u></b></p> <ul style="list-style-type: none"> <li>▶ (1) A natural person or company who at the time of entering into such agreement has at least \$750,000 in assets under management with Ceera; <b>OR</b></li> <li>▶ (2) A natural person or company who Ceera reasonably believes at the time of entering into the contract: <ul style="list-style-type: none"> <li>(A) has a net worth of jointly with his or her spouse of more than \$1,500,000; <b>OR</b></li> <li>(B) is a qualified purchaser as defined in the Investment Company Act of 1940, §2(a)(51)(A) (15 U.S.C. 80a-2(51)(A)) ; <b>OR</b></li> </ul> </li> <li>▶ (3) A natural person who at the time of entering into the contract is: <ul style="list-style-type: none"> <li>(A) An executive officer, director, trustee, general partner, or person serving in similar capacity of Ceera; <b>OR</b></li> <li>(B) An employee of Ceera (other than an employee performing solely clerical, secretarial, or administrative functions with regard to the investment adviser), who, in connection with his or her regular functions or duties, participates in the investment activities of Ceera, provided that such employee has been performing such functions and duties for or on behalf of Ceera, or substantially similar function or duties for or on behalf of another company for at least 12 months.</li> </ul> </li> </ul> <p><u>Termination of services:</u> -Clients may be able to obtain similar services elsewhere at a lower cost and may terminate the advisory contract at any time upon notice to the applicant LLC. If the client terminates the advisory contract within five business days of signing, the client is entitled to a waiver of any pro-rated fees due to the applicant. The advisory contract will otherwise remain in force until terminated by either party. There is no penalty or termination fee. The client will be responsible for all fees which may accrue through the contract period.</p> <p>-Chelapurath, Rajesh (“Raj”) (the applicant’s Managing Member): Born in 1970; -B.E. (Honors) in Electrical &amp; Electronics Engineering and MSc. (Honors) in Physics, From Birla Institute of Technology &amp; Science in Pilani, India (both degrees in 1993); -MBA from the A.B.Freeman School of Business at Tulane University, New Orleans,(1998); -Associate Managing Director and Investment Associate at Burnham Securities, Inc, a Broker/Dealer (1998-2005).</p>
Part II, No. 7-C	<p>Rajesh Chelapurath (the applicant’s Managing Member), in a personal capacity (i.e. not on behalf of the applicant LLC), may occasionally be engaged in advisory or management consultant roles (for example as a Board Member, an Advisor, or as an External Management Consultant) to other businesses/ companies and may receive compensation for any such services rendered.</p> <p>Rajesh is currently engaged, in a personal capacity, as an Advisor to KeyTone Technologies, Inc (KTI), a small private company based out of Santa Clara, CA. From time to time, Rajesh may be contacted by KTI’s management for advice and consultations relating to its business. For agreeing to provide such services, Rajesh may receive compensation in the form of KTI stock options. Rajesh Chelapurath has not invested nor will he, in the future, invest any funds with KTI for/on behalf of clients of the applicant LLC.</p>

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Part II, No. 9-E	<p>The applicant LLC or Rajesh Chelapurath may buy or sell securities that are recommended to clients. There is no conflict of interest as the securities are widely held and publicly traded and such transactions are too small to affect the market. The best interest of the client is of foremost concern in all cases.</p> <p>Ceera Investments, LLC will vote proxies on behalf of its clients, when requested to do so. Any client may request a copy of Ceera Investments, LLC's Proxy Policy and to see or receive records showing how it will have voted on their behalf.</p>	
Part II, No. 10	<p>The applicant's account size for managed accounts is an expected initial minimum of \$200,000 in funds and/or securities. This may be lowered or increased on a case-by-case basis at the applicant's discretion.</p>	
Part II, No. 12-A 1&2	<p>The applicant LLC manages client accounts on a discretionary basis. It limits its discretionary authority by prohibiting itself and Rajesh Chelapurath from withdrawing funds and/or securities from client accounts. In addition, discretionary transactions are limited to general securities, mutual funds, options and government securities.</p>	
Part II, No. 12-B	<p>Clients wishing to implement the applicant's advice are free to select any broker they wish, and are so informed. Those wishing for the applicant to recommend a broker will get a recommendation based on the broker's costs, skills, reputation, willingness to handle non-commissionable mutual fund transactions, dependability and compatibility with the client. NOTE: Clients may be able to obtain lower commissions and fees from other brokers and the value of products, research and services given to the applicant is not a factor in determining the selection of broker/dealers or the reasonableness of their commissions.</p>	
Part II, No. 13	<p>Ceera Investments, LLC (Ceera) receives no cash benefit, including commissions, from any party in connection with its clients' accounts. Ceera may receive access to certain Custodians' proprietary account management and data transmission services to enable Ceera to trade clients' accounts electronically. Custodians of Ceera's clients' accounts may also provide Ceera with educational and compliance material, such as newsletters and access to seminars.</p>	

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