

# **Springsteel Investment Advisors, LLC**

## **Form ADV Part 2A – Disclosure Brochure**

**Effective: March 24, 2020**

This Disclosure Brochure provides information about the qualifications and business practices of Springsteel Investment Advisors, LLC (“SIA”). If you have any questions about the contents of this Disclosure Brochure, please contact us at (480) 269-9400.

SIA is a Registered Investment Advisor with the State of Arizona. The information in this Disclosure Brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration of an investment advisor does not imply any specific level of skill or training. This Disclosure Brochure provides information about SIA to assist you in determining whether to retain the Advisor.

Additional information about SIA and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov), and referencing CRD #166126.

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## Item 2 - Material Changes

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Form ADV 2 is divided into two parts: *Part 2A (the "Disclosure Brochure")* and *Part 2B (the "Brochure Supplement")*. The Disclosure Brochure provides information about a variety of topics relating to an Advisor's business practices and conflicts of interest. The Brochure Supplement provides information about advisory personnel of SIA.

SIA believes that communication and transparency are the foundation of our relationship and continually strive to provide our Clients with the complete and accurate information at all times. We encourage all current and prospective Clients to read this Disclosure Brochure and discuss any questions you may have with us. And of course, we always welcome your feedback.

### Future Changes

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be offered to each Client annually and if a material change occurs in the business practices of SIA.

Since our last annual amendment filing, dated March 2019, we have the following material changes to this brochure.

- We updated Item 4, 5, 7 and 12 to disclose that SIA offers an Automated Investment Program through Charles Schwab & Co.
- We updated Item 12 and 14 to disclose additional benefits received through SIA's relationship with Charles Schwab & Co.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

To review the firm information for SIA:

- Click **Investment Advisor Search** in the left navigation menu.
- Select the option for **Investment Advisor Firm** and enter **166126** (our firm's CRD number) in the field labeled "Firm IARD/CRD Number".
- This will provide access to Form ADV Part 1 and Part 2.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions regarding the Advisor.
- In the left navigation menu, Form ADV Part 2 is located near the bottom.

You may also request a copy of this Disclosure Brochure at any time, by contacting us at (480) 269-9400.

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## **Item 4 - Advisory Services**

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### **A. Firm Information**

Springsteel Investment Advisors, LLC ("SIA" or the "Advisor") is a Registered Investment Advisor with the State of Arizona, which is organized as a Limited Liability Company (LLC) under the laws of the State of Arizona. SIA was founded in October 2012, and is owned and operated by Managing Partner, B. Mark Springsteel. This Disclosure Brochure provides information regarding the qualifications, business practices, and the advisory services provided by SIA.

### **B. Advisory Services Offered**

SIA offers investment advisory services to individuals, high net worth individuals, corporations or businesses in Arizona and other states (each referred to as a "Client").

#### Account Portfolio Management

SIA provides customized investment advisory solutions for its Clients. This is achieved through continuous personal Client contact and interaction while providing discretionary investment management and consulting services. SIA works with each Client to identify their investment goals and objectives as well as risk tolerance and financial situation in order to create an appropriate portfolio allocation.

SIA's investment philosophy is built on certain fundamental beliefs:

- An investor's objectives and tolerance for risk should drive the structure of their portfolio
- Investors should be rewarded for the risks they take
- Portfolios should be structured and appropriately diversified across industry, capitalization, asset class, economic region and risk characteristics to avoid potentially catastrophic risks
- Portfolios should utilize the most efficient investments for producing risk adjusted return in their given asset class.

Portfolios are built using broad asset classes including domestic and international equities, and corporate and government fixed income positions. Equity positions are built from individual stocks, mutual funds and exchange traded funds ("ETFs") while being sensitive to transaction costs, management fees and concentration of risks. For actively managed funds, our bias is to find fund managers who consistently provide higher units of return over units of risk taken than their peers and who also consistently beat their asset class benchmarks over a market cycle

SIA's investment strategy is primarily long-term focused, but the Advisor may buy, sell or re-allocate positions that have been held less than one year to meet the objectives of the Client or due to market conditions. SIA will construct, implement and monitor the portfolio to ensure it meets the goals, objectives, circumstances, and risk tolerance agreed to by the Client. Each Client will have the opportunity to place reasonable restrictions on the types of investments to be held in their respective portfolio, subject to the acceptance by the Advisor.

SIA evaluates and selects individual equity and fixed income securities, ETFs and mutual funds for inclusion in Client portfolios only after applying their internal due diligence process. SIA may recommend, on occasion, redistributing investment allocations to diversify the portfolio. SIA may recommend specific positions to increase sector or asset class weightings. The Advisor may recommend employing cash positions as a possible hedge against market movement, which may adversely affect the portfolio. SIA may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position[s] in the portfolio, change in risk tolerance of Client, generating cash to meet Client needs, or any risk deemed unacceptable for the Client's risk tolerance.

Prior to rendering investment advisory services, SIA will ascertain, in conjunction with the Client, the Client's financial situation, risk tolerance, and investment objective[s].

SIA will provide investment advisory services and portfolio management services and will not provide securities custodial or other administrative services. At no time will SIA accept or maintain custody of a Client's funds or securities. All Client assets will be managed within their designated brokerage account or pension account, pursuant to the Client Investment Advisory Agreement.

### Financial Planning

SIA will typically provide a variety of financial planning services to individuals and families, pursuant to a written Financial Plan. Services are offered in several areas of a Client's financial situation, depending on their goals, objectives and financial situation.

Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation for clients based on the Client's financial goals and objectives. This planning or consulting may encompass one or more areas of need, including, but not limited to investment planning, retirement planning, personal savings, education savings and other areas of a Client's financial situation.

A financial plan developed for or financial consultation rendered to the Client will usually include general recommendations for a course of activity or specific actions to be taken by the Client. For example, recommendations may be made that the Client start or revise their investment programs, commence or alter retirement savings, establish education savings and/or charitable giving programs. SIA may also refer Clients to an accountant, attorney or other specialist, as appropriate for their unique situation. For certain financial planning engagements, the Advisor will provide a written summary of Client's financial situation, observations, and recommendations. For consulting or ad-hoc engagements, the Advisor may not provide a written summary. Plans or consultations are typically completed within six months of contract date, assuming all information and documents requested are provided promptly.

Financial planning and consulting recommendations may pose a potential conflict between the interests of the Advisor and the interests of the Client. Clients are not obligated to implement any recommendations made by the Advisor or maintain an ongoing relationship with the Advisor. If the Client elects to act on any of the recommendations made by the Advisor, the Client is under no obligation to effect the transaction through the Advisor.

### Automated Investment Program

SIA offers an automated investment program (the "Program") through which clients are invested in a range of investment strategies SIA has constructed and manage, each consisting of a portfolio of exchange-traded funds and mutual funds ("Funds") and a cash allocation. The client may instruct SIA to exclude up to three Funds from their portfolio. The client's portfolio is held in a brokerage account opened by the client at Charles Schwab & Co., Inc. ("CS&Co"). We use the Institutional Intelligent Portfolios® platform ("Platform"), offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of CS&Co., to operate the Program. SIA is independent of and not owned by, affiliated with, or sponsored or supervised by SPT, CS&Co., or their affiliates (together, "Schwab"). SIA, and not Schwab, is the client's investment advisor and primary point of contact with respect to the Program. We are solely responsible, and Schwab is not responsible, for determining the appropriateness of the Program for the client, choosing a suitable investment strategy and portfolio for the client's investment needs and goals, and managing that portfolio on an ongoing basis. SIA has contracted with SPT to provide us with the Platform, which consists of technology and related trading and account management services for the Program.

The Platform enables us to make the Program available to clients online and includes a system that automates certain key parts of our investment process (the "System"). The System includes an online questionnaire that can

help us determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that, if SIA uses the online questionnaire, we will recommend a portfolio via the System in response to the client's answers to the online questionnaire.

The System also includes an automated investment engine through which we manage the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects). Clients do not pay brokerage commissions or any other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that SIA selects to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. We do not pay SPT fees for the Platform as long as we maintain \$100 million in client assets in accounts at CS&Co. that are not enrolled in the Program. If SIA does not meet this condition, then we pay SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. The annual licensing fee is not passed on to SIA's clients in the Program. This fee arrangement gives us an incentive to recommend or require that our clients with accounts not enrolled in the Program be maintained with CS&Co.

### **C. Client Account Management**

Prior to engaging SIA to provide investment advisory services, each Client is required to enter into an Investment Advisory Agreement with the Advisor that defines the terms, conditions, authority and responsibilities of the Advisor and the Client. These services may include:

- Establishing an Investment Policy Statement – SIA, in connection with the Client, may develop a statement that summarizes the Client's investment goals and objectives along with the broad strategy[ies] to be employed to meet the objectives. An Investment Policy Statement generally includes specific information on the Client's stated goals, time horizon for achieving the goals, investment strategies, Client risk tolerance and any restrictions imposed by the Client.
- Asset Allocation – SIA will develop a strategic asset allocation that is targeted to meet the investment objectives, time horizon, financial situation and tolerance for risk for each Client.
- Portfolio Construction – SIA will develop a portfolio for the Client that is intended to meet the stated goals and objectives of the Client.
- Investment Management and Supervision – SIA will provide investment management and ongoing oversight of the Client's portfolio and overall account.

### **D. Wrap Fee Programs**

SIA does not manage or place Client assets into a wrap fee program. Investment management services are provided directly by SIA.

### **E. Assets Under Management**

Assets under management were \$30,635,098 as of December 31, 2019. The entire amount is managed on a discretionary basis. Clients may request more current information at any time by contacting the Advisor.

SIA does not provide investment management and supervision and therefore has no disclosures to make.

## Item 5 - Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for investment management. Each Client shall sign an Investment Advisory Agreement that details the responsibilities of SIA and the Client.

### **A. Fees for Advisory Services**

#### Account Portfolio Management

Investment Advisory Fees are paid quarterly in arrears pursuant to the terms of the Investment Advisory Agreement. Investment Advisory Fees are based on the market value of assets under management at the end of each calendar quarter. Investment Advisory Fees range from 0.50% to 1.00% annually based on the following schedule:

Assets Under Management	Annual Rate
\$0 to \$500,000	1.00%
\$500,001 to \$1,000,000	0.90%
\$1,000,001 to \$2,500,000	0.80%
\$2,500,001 to \$5,000,000	0.70%
\$5,000,001 to \$10,000,000	0.60%
Over \$10,000,000	0.50%

Investment Advisory Fees in the first quarter of service are prorated to the inception date of the account to the end of the first quarter. Fees may be negotiable at the discretion of the Advisor. The Client's fees will take into consideration the aggregate assets under management with Advisor. All securities held in accounts managed by SIA will be independently valued by the designated Custodian. SIA will not have the authority or responsibility to value portfolio securities.

#### Financial Planning

SIA offers financial planning on an hourly basis of \$400 per hour, which may be negotiable depending on the nature and complexity of each Client's circumstances. An estimate for total hours will be determined prior to establishing the advisory relationship.

The Advisor's fee is exclusive of, and in addition to brokerage fees, transaction fees, and other related costs and expenses, which may be incurred by the Client. However, the Advisor shall not receive any portion of these commissions, fees, and costs. The hourly fees are determined after considering many factors, such as the level and scope of the services.

#### Automated Investment Program

Advisory fees for the Automated Investment Program are paid quarterly in arrears pursuant to the terms of the Investment Advisory Agreement. Advisory fees are based on the market value of assets under management in the Program at the end of each calendar quarter. Advisory fees range from 0.50% to 1.00% annually based on the tiered fee schedule above.

As described in Item 4 Advisory Business, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. Schwab does receive other revenues, including (i) the profit earned by Charles Schwab Bank, a Schwab affiliate, on the allocation to the Schwab Intelligent Portfolios Sweep Program described in the Schwab Intelligent Portfolios Sweep Program Disclosure Statement; (ii) investment advisory and/or administrative service fees (or unitary fees) received by Charles Schwab Investment Management, Inc., a Schwab affiliate, from Schwab ETFs™ Schwab Funds® and Laudus Funds® that SIA selects to buy and hold in the client's brokerage account; (iii) fees received by Schwab from mutual funds in the Schwab Mutual Fund Marketplace® (including certain Schwab Funds and Laudus Funds) in the client's brokerage account for services

Schwab provides; and (iv) remuneration Schwab receives from the market centers where it routes ETF trade orders for execution. Brokerage arrangements are further described below in Item 12 Brokerage Practices.

## **B. Fee Billing**

### Account Portfolio Management

Investment Advisory Fees will be automatically deducted from the Client Account by the Custodian. The Advisor shall send an invoice to the Custodian indicating the amount of the fees to be deducted from the Client Account at the respective quarter end date. The amount due is calculated by applying the quarterly rate (annual rate divided by 4 to the total assets under management with SIA at the end of each quarter. Clients will be provided with a statement, at least quarterly, from the Custodian reflecting deduction of the Investment Advisory Fee. In addition, the Advisor will provide the Client a report itemizing the fee, including the calculation period covered by the fee, the account value and the methodology used to calculate the fee. It is the responsibility of the Client to verify the accuracy of these fees as listed on the custodian's brokerage statement as the Custodian does not assume this responsibility. Clients provide written authorization permitting SIA to be paid directly from their accounts held by the Custodian as part of the Investment Advisory Agreement and separate account forms provided by the Custodian.

### Financial Planning

Financial planning fees are invoiced 50% upon execution of the Financial Planning and Consulting Agreement and 50% upon receipt of the agreed upon deliverable. SIA does not require payment of these fees if six months or more in advance and if more than five hundred dollars.

### Automated Investment Program

As stated above, clients do not pay fees to SPT or brokerage commissions or other fees to CS&Co. as part of the Program. If SIA does not meet the minimum of \$100 million in client assets at CS&Co. that are not enrolled in the Program, then SIA pays SPT an annual licensing fee of 0.10% (10 basis points) on the value of our clients' assets in the Program. This annual licensing fee is not passed on to SIA's clients in the Program.

## **C. Other Fees and Expenses**

Clients may incur certain fees or charges imposed by third parties, other than SIA, in connection with investment made on behalf of the Client's account[s]. The Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer. The Investment Advisory Fee charged by SIA is separate and distinct from these custodian and execution fees.

In addition, all fees paid to SIA for investment advisory services are separate and distinct from the expenses charged by mutual funds and exchange-traded funds to their shareholders, if applicable. These fees and expenses are described in each fund's prospectus. These fees and expenses will generally be used to pay management fees for the funds, other fund expenses, account administration (e.g., custody, brokerage and account reporting), and a possible distribution fee. A Client could invest in these products directly, without the services of SIA, but would not receive the services provided by SIA which are designed, among other things, to assist the Client in determining which products or services are most appropriate to each Client's financial situation and objectives. Accordingly, the Client should review both the fees charged by the fund[s] and the fees charged by SIA to fully understand the total fees to be paid.

## **D. Advance Payment of Fees and Termination**

### Account Portfolio Management

SIA is compensated for its services at the end of the quarter after investment advisory services are rendered. Clients may request to terminate their Investment Advisory Agreement with SIA, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the

effective date of termination. The Client's Investment Advisory Agreement with the Advisor is non-transferable without Client's written approval.

### Financial Planning

In the event that a Client should wish to cancel the financial planning agreement under which any plan is being created, the Client shall be billed for actual hours logged on the planning project times the agreed upon hourly rate. Any surplus in the Advisor's possession as the result of collecting a deposit at the time of signing the financial planning agreement will be returned to the Client within 5 business days of cancellation.

Either party may terminate a planning or consulting agreement at any time by providing written notice to the other party. In addition, the Client may terminate the agreement within five (5) days of signing the Advisor's financial planning or consulting agreement at no cost to the Client. After the five day period, the Client will incur charges for bona fide advisory services rendered to the point of termination and such fees will be due and payable by the Client. Refunds will be given on a pro-rata basis.

### Automated Investment Program

Clients may request to terminate their Investment Advisory Agreement with SIA, in whole or in part, by providing advance written notice. The Client shall be responsible for Investment Advisory Fees up to and including the effective date of termination

### **E. Compensation for Sales of Securities**

SIA does not buy or sell securities and does not receive any compensation for securities transactions in any Client account, other than the Investment Advisory Fees noted above.

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

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SIA does not charge performance-based fees for its investment advisory services. The fees charged by SIA are as described in Item 5 - Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

SIA does not manage any proprietary investment funds or limited partnerships (for example, a mutual fund or a hedge fund) and has no financial incentive to recommend any particular investment options to its Clients.

## **Item 7 - Types of Clients**

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SIA provides investment advisory services to the following types of Clients:

- Individuals - private investors, investing their personal assets
- Corporations and Businesses - taxable business entities, investing cash reserves

SIA generally requires a minimum account fee of \$1,000 per quarter to effectively implement its investment process. The Advisor may waive this minimum fee at its discretion.

Clients eligible to enroll in the Automated Investment Program include individuals, IRAs, and revocable living trusts. Clients that are organizations (such as corporations and partnerships) or government entities, and clients that are subject to the Employee Retirement Income Security Act of 1974, are not eligible for the Program. The minimum investment required to open or convert an account in the Program is \$5,000. The minimum account balance to enroll in the tax-loss harvesting feature is \$50,000.

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

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### **A. Methods of Analysis**

SIA primarily employs fundamental analysis methods in developing investment strategies for its Clients. Research and analysis from SIA is derived from numerous sources, including financial media companies, third-party research materials, Internet sources, and review of company activities, including annual reports, prospectuses, press releases and research prepared by others.

As noted above, SIA generally employs a long-term investment strategy for its Clients, as consistent with their financial goals. SIA will typically hold all or a portion of a security for more than a year, but may hold for shorter periods for the purpose of rebalancing a portfolio or meeting the cash needs of Clients. At times, SIA may also buy and sell positions that are more short-term in nature, depending on the goals of the Client and/or the fundamentals of the security, sector or asset class.

### **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. SIA will assist Clients in determining an appropriate strategy based on their tolerance for risk and other factors noted above. However, there is no guarantee that a Client will meet their investment goals.

Fundamental analysis utilizes economic and business indicators as investment selection criteria. These criteria are generally ratios and trends that may indicate the overall strength and financial viability of the entity being analyzed. Assets are deemed suitable if they meet certain criteria to indicate that they are a strong investment with a value discounted by the market. While this type of analysis helps the Advisor in evaluating a potential investment, it does not guarantee that the investment will increase in value. Assets meeting the investment criteria utilized in the fundamental analysis may lose value and may have negative investment performance. The Advisor monitors these economic indicators to determine if adjustments to strategic allocations are appropriate. More details on the Advisor's review process are included in Item 13.

Each Client engagement will entail a review of the Client's investment goals, financial situation, time horizon, tolerance for risk and other factors to develop an appropriate strategy for managing a Client's account. Client participation in this process, including full and accurate disclosure of requested information, is essential for the analysis of a Client's account. The Advisor shall rely on the financial and other information provided by the Client or their designees without the duty or obligation to validate the accuracy and completeness of the provided information. It is the responsibility of the Client to inform the Advisor of any changes in financial condition, goals or other factors that may affect this analysis.

The risks associated with a particular strategy are provided to each Client in advance of investing Client accounts. The Advisor will work with each Client to determine their tolerance for risk as part of the portfolio construction process.

**Past performance is not a guarantee of future returns. Investing in securities and other investments involve a risk of loss that each Client should understand and be willing to bear. Clients are reminded to discuss these risks with the Advisor. For more information on our investment management services, please contact us at (480) 269-9400.**

## **Item 9 - Disciplinary Information**

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**There are no legal, regulatory or disciplinary events involving SIA or any of its employees.** SIA and its advisory personnel value the trust you place in us. As we advise all Clients, we encourage you to perform the requisite due diligence on any advisor or service provider in which you partner. Our backgrounds are on the

Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). To review the firm information contained in ADV Part 1, select the option for Investment Adviser Firm and enter **166126** in the field labeled "Firm IARD/CRD Number". This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. You may also research the background of M. Brian Springsteel by selecting the Investment Adviser Representative and entering Mr. Springsteel's Individual CRD# **6145594** in the field labeled "Individual CRD Number".

## **Item 10 - Other Financial Industry Activities and Affiliations**

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Mr. Springsteel is Vice President of Springsteel PC. Springsteel PC offers tax preparation and planning and other services commonly performed by a CPA practice for its clients as well as certain advisory Clients of SIA. Clients are under no obligation to utilize the services of Springsteel PC.

### Insurance Agency Affiliations

Mr. Springsteel, Managing Partner of SIA, serves as sales agent for various insurance companies. This activity is done separate and apart from the role with SIA. As an insurance agent, Mr. Springsteel will receive customary commissions and other related revenues from the various insurance companies whose products are sold. Commissions generated by insurance sales do not offset regular advisory fees. This creates a conflict of interest in recommending certain products of the insurance companies. Clients are under no obligation to implement any recommendations made by Mr. Springsteel or the Advisor.

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

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### **A. Code of Ethics**

SIA has implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all persons associated with SIA. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to you, our Client. SIA and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of SIA associates to adhere not only to the specific provisions of the Code, but also to the general principles that guide the Code. The Code of Ethics covers a range of topics that may include; general ethical principles, reporting personal securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. SIA has written its Code of Ethics to meet and exceed regulatory standards. To request a copy of our Code of Ethics, please contact us at (480) 269-9400.

### **B. Personal Trading with Material Interest**

SIA allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. SIA does not act as principal in any transactions. In addition, the Advisor does not act as the general partner of a fund, or advice an investment company. SIA does not have a material interest in any securities traded in Client accounts.

### **C. Personal Trading in Same Securities as Clients**

SIA allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to you presents a conflict of interest that, as fiduciaries, we must disclose to you and mitigate through policies and procedures. As noted above, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material non-public information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material, non-public information. We may have an interest or position in certain securities, which may also be recommended to you.

In addition, the Code of Ethics governs Gifts and Entertainment given by and provided to the Advisor, outside employment activities of employees, Employee reporting, sanctions for violations of the Code of Ethics, and records retention requirements for various aspects of the Code of Ethics.

#### **D. Personal Trading at Same Time as Client**

While SIA allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients, these trades do not occur at the same time. SIA will place trades only after Client orders have been placed and filled.

**At no time, will SIA or any associated person of SIA, transact in any security to the detriment of any Client.**

### **Item 12 - Brokerage Practices**

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#### **A. Recommendation of Custodian[s]**

SIA may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc ("CS&Co"), a FINRA-registered broker-dealer, Member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. It is the client's decision to custody assets with Schwab. SIA is independently owned and operated and not affiliated with Schwab.

Client accounts enrolled in the Automated Investment Program must maintain an account at, and receive brokerage services from, CS&Co. While clients are required to use CS&Co. as custodian/broker to enroll in the Program, the client decides whether to do so and opens its account with CS&Co. by entering into a brokerage account agreement directly with CS&Co. SIA does not open the account for the client. If the client does not wish to place his or her assets with CS&Co., then we cannot manage the client's account through this Program.

Schwab provides SIA with access to its institutional brokerage services - trading, custody, reporting, and related 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. These services are not contingent upon SIA committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require significantly higher minimum initial investment.

For SIA's clients' accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions or other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Institutional also makes available to SIA other products or services that benefit SIA but may not directly benefit clients' accounts. Many of these products and services may be used to service all or some substantial number of SIA' accounts.

Schwab's products and services that assist SIA in managing and administering clients' accounts include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of SIA's fees from some of its accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Following are additional details regarding the brokerage practices of the Advisor:

**1. *Soft Dollars*** - An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

SIA utilizes the services of Schwab. While there is no direct linkage between the investment advice given to clients and SIA's participation in the Schwab program, economic benefits are received by SIA which would not be received if we did not give investment advice to clients.

Although SIA doesn't allow directed brokerage, we may still receive benefits from program sponsors and product issuers. These benefits may be used for both research and non-research purposes and allows us to supplement, at no cost, [our own research and analysis activities. These benefits include: a dedicated trade desk that services the program participants exclusively, a dedicated service group and an account services manager dedicated to SIA's accounts, access to a real-time order matching system, the ability to "block" clients' trades, electronic download of trades, balances and position information, duplicate and batched client statements, confirmations, year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), and availability of third-party research and technology.

The benefits received through participation in the Schwab program do not depend upon the amount of transactions directed to or amount of assets managed through Schwab.

Research obtained with soft dollars is not necessarily utilized for the specific account that generated the soft dollars. SIA does not attempt to allocate the relative costs or benefits of research among clients because we believe that, in the aggregate, the research we receive benefits all clients and assists SIA in fulfilling our overall duty to you.

These arrangements may be deemed to create a conflict of interest to the extent that SIA would have to pay for some or all of the research and/or services with "hard dollars" if SIA were unable to obtain the research and services in exchange for commissions in connection with client transactions. Client trades are always implemented based on the goals and objectives of the client and not on any research, products or other incentives available.

**2. *Brokerage Referrals*** - SIA does not receive any compensation from any third party in connection with the recommendation for establishing a brokerage account.

**3. *Directed Brokerage*** - All Clients are serviced on a "directed brokerage basis", where SIA will place trades within the established account[s] at the custodian designated by the Client. Further, all Client accounts are traded within their respective brokerage account[s]. The Advisor will not engage in any principal transactions (i.e., trade of any security from or to the Advisor's own account) or cross transactions with other Client accounts (i.e., purchase of a security into one Client account from another Client's account[s]). In selecting the custodian, SIA will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated custodian.

## **B. Aggregating and Allocating Trades**

The primary objective in placing orders for the purchase and sale of securities for Client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. SIA will execute its transactions through an unaffiliated broker-dealer selected by the Client. SIA may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written

statement. This must be done in a way that does not consistently advantage or disadvantage particular Client accounts. SIA and its representatives will not transact in their own accounts as part of any block trade.

CS&Co. may also aggregate purchase and sale orders for Funds across accounts enrolled in the Automated Investment Program and for client accounts of other independent investment advisory firms using the Platform. Schwab Advisor Services™ (formerly called Schwab Institutional) is Schwab's business serving independent investment advisory firms like SIA.

## **Item 13 - Review of Accounts**

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### **A. Frequency of Reviews**

Accounts are monitored on a regular and continuous basis by Mr. Springsteel, Managing Partner of SIA. Formal reviews are generally conducted at least quarterly or more or less frequently depending on the needs of the Client.

### **B. Causes for Reviews**

In addition to the investment monitoring noted in Item 13.A., each Client account shall be reviewed at least annually. Reviews may be conducted more or less frequently at the Client's request. Accounts may be reviewed as a result of major changes in economic conditions, known changes in the Client's financial situation, and/or large deposits or withdrawals in the Client's account. The Client is encouraged to notify SIA if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. Additional reviews may be triggered by material market, economic or political events.

### **C. Review Reports**

The Client will receive brokerage statements no less than quarterly from the trustee or custodian. These brokerage statements are sent directly from the custodian to the Client. The Client may also establish electronic access to the custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions and fees relating to the Client's account[s]. The Advisor may also provide Clients with periodic reports regarding their holdings, allocations, and performance.

## **Item 14 - Client Referrals and Other Compensation**

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### **A. Compensation Received by SIA**

SIA is a fee-only advisory firm, who is only compensated from the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. SIA receives no other forms of compensation in connection with providing investment advice.

SIA receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers whose clients maintain their accounts at Schwab. These products and services, how they benefit SIA, and the related conflicts of interest are described in *Item 12 – Brokerage Practices*. The availability of Schwab's products and services is not based on SIA giving particular investment advice, such as buying particular securities for our clients.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

### **B. Client Referrals from Solicitors**

SIA does not engage paid solicitors for Client referrals.

## **Item 15 - Custody**

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SIA does not accept or maintain custody of any Client accounts. All Clients must place their assets with a qualified custodian. Clients are required to select their own custodian to retain their funds and securities and direct SIA to utilize that custodian for the Client's security transactions.

Under government regulations, we are deemed to have custody of client assets when the client authorizes us to instruct the qualified custodian to deduct our advisory fees directly from the client's account. The qualified custodian maintains actual custody of clients' assets. Clients receive account statements directly from the qualified custodian at least quarterly. Account statements will be sent to the email or postal mailing address the client provides to the qualified custodian. Clients should carefully review those statements promptly when received. We also urge clients to compare the account statements received from the qualified custodian to the periodic reports clients receive from SIA.

For more information about custodians and brokerage practices, see Item 12 - Brokerage Practices, Item 16 - Investment Discretion.

## **Item 16 - Investment Discretion**

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SIA generally has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by SIA. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the Client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by SIA will be in accordance with each Client's investment objectives and goals.

## **Item 17 - Voting Client Securities**

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SIA does not accept proxy-voting responsibility for any Client. Clients will receive proxy statements directly from the Custodian. The Advisor will assist in answering questions relating to proxies, however, the Client retains the sole responsibility for proxy decisions and voting.

## **Item 18 - Financial Information**

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Neither SIA, nor its management has any adverse financial situations that would reasonably impair the ability of SIA to meet all obligations to its Clients. Neither SIA, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. SIA is not required to deliver a balance sheet along with this Brochure as the firm does not collect advance fees for services to be performed six months or more in advance and for more than five hundred dollars.

## **Item 19 - Requirements for State Registered Advisors**

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### **A. Educational Background and Business Experience of Principal Officer**

The Managing Partner of SIA is B. Mark Springsteel. Information regarding the formal education and background of Mr. Springsteel is included in Item 2 of Part 2B below.

### **B. Other Business Activities of Principal Officer**

Mr. Springsteel has additional business activities that are detailed in Item 10 - Other Financial Activities and Affiliations.

#### **C. Performance Fee Calculations**

SIA does not charge performance-based fees for its investment advisory services. The fees charged by SIA are as described in Item 5 - Fees and Compensation above and are not based upon the capital appreciation of the funds or securities held by any Client.

#### **D. Disciplinary Information**

*There are no legal, civil or disciplinary events to disclose regarding SIA or Mr. Springsteel.* Neither SIA nor Mr. Springsteel has ever been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against SIA or Mr. Springsteel.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding SIA or Mr. Springsteel.*

#### **E. Material Relationships with Issuers of Securities**

Neither SIA nor Mr. Springsteel has any relationships or arrangements with issuers of securities.

## **Form ADV Part 2B - Brochure Supplement**

**for**

**B. Mark Springsteel  
Managing Partner**

**Effective: March 24, 2020**

This Brochure Supplement provides information about the background and qualifications of M. Brian Springsteel (CRD# **6145594**) in addition to the information contained in the Springsteel Investment Advisors, LLC ("SIA" or the "Advisor" - CRD #166126) Disclosure Brochure. If you have not received a copy of the Disclosure Brochure or if you any questions about the contents of the SIA Disclosure Brochure or this Brochure Supplement, please contact us at (480) 269-9400.

Additional information about Mr. Springsteel is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Educational Background and Business Experience

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The Managing Partner of SIA is B. Mark Springsteel. Mr. Springsteel, born in 1969, he is a dedicated Portfolio Manager for Client accounts of SIA.

Mr. Springsteel earned a Bachelor of Arts in Finance from Colorado Mesa University in 1996. Mr. Springsteel earned a Bachelor of Science in Accounting from Colorado Mesa University in 2003.

Additional information regarding Mr. Springsteel’s employment history is included below.

### Employment History:

Managing Partner, Springsteel Investment Advisors, LLC	12/2012 to Present
Vice President, Springsteel PC	08/2011 to Present
Treasurer, AAA Arizona, Inc	06/2006 to 01/2013
Vice President of Finance, Greanleaf Compaction, Inc	02/2005 to 06/2006
Financial Analyst, WorldatWork	08/2003 to 02/2005
Student	08/2002 to 06/2003

## Item 3 – Disciplinary Information

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*There are no legal, civil or disciplinary events to disclose regarding Mr. Springsteel.* Mr. Springsteel has never been involved in any regulatory, civil or criminal action. There have been no client complaints, lawsuits, arbitration claims or administrative proceedings against Mr. Springsteel.

Securities laws require an advisor to disclose any instances where the advisor or its advisory persons have been found liable in a legal, regulatory, civil or arbitration matter that alleges violation of securities and other statutes; fraud; false statements or omissions; theft, embezzlement or wrongful taking of property; bribery, forgery, counterfeiting, or extortion; and/or dishonest, unfair or unethical practices. *As previously noted, there are no legal, civil or disciplinary events to disclose regarding Mr. Springsteel.*

However, we do encourage you to independently view the background of Mr. Springsteel on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select Investment Adviser Search from the left navigation menu. Then select the option for Investment Adviser Representative and enter **6145594** in the field labeled “Individual CRD Number”.

## Item 4 – Other Business Activities

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Mr. Springsteel has additional business activities that are detailed in Item 10 - Other Financial Activities and Affiliations in Part 2A above.

## **Item 5 - Additional Compensation**

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Mr. Springsteel has additional business activities where compensation is received. These business activities are detailed in Item 10 - Other Financial Activities and Affiliations in Part 2A above.

## **Item 6 - Supervision**

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Mr. Springsteel serves as the Managing Partner and Chief Compliance Officer of SIA. Mr. Springsteel can be reached at (480) 269-9400.

SIA has implemented a Code of Ethics and internal compliance that guide each employee in meeting their fiduciary obligations to Clients of SIA. Further, SIA is subject to regulatory oversight by various agencies. These agencies require registration by SIA and its employees. As a registered entity, SIA is subject to examinations by regulators, which may be announced or unannounced. SIA is required to periodically update the information provided to these agencies and to provide various reports regarding the business activities and assets of the Advisor.

## **Item 7 - Requirements for State Registered Advisors**

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Mr. Springsteel does not have any additional information to disclose.

## Privacy Policy

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Effective: March 24, 2020

### Our Commitment to You

Springsteel Investment Advisors, LLC ("SIA") is committed to safeguarding the use of your personal information that we have as your Investment Advisor. SIA (also referred to as "we", "our" and "us" throughout this notice) protects the security and confidentiality of the personal information we have and implements controls to ensure that such information is used for proper business purposes in connection with the management or servicing of our relationship with you. Our relationship with you is our most important asset. We understand that you have entrusted us with your private information, and we do everything we can to maintain that trust.

SIA does not sell your non-public personal information to anyone. Nor do we provide such information to others except for discrete and proper business purposes in connection with the servicing and management of our relationship with you as discussed below.

Details of our approach to privacy and how your personal non-public information is collected and used are set forth in this Privacy Policy.

### Why you need to know?

Registered Investment Advisors ("RIAs") share some of your personal information. Federal and State laws give you the right to limit some of this sharing. Federal and State laws require RIAs to disclose how we collect, share, and protect your personal information.

### What information do we collect from you?

Social security or taxpayer identification number	Assets and liabilities
Name, address and phone number(s)	Income and expenses
E-mail address(es)	Investment activity
Account information (including other institutions)	Investment experience and goals

### What sources do we collect information from in addition to you?

Custody, brokerage and advisory agreements	Account applications and forms
Other advisory agreements and legal documents	Investment questionnaires and suitability documents
Transactional information with us or others	Other information needed to service account

## How we share your information?

RIAs do need to share personal information regarding its clients to effectively implement the RIA's services. In the section below, we list some reasons we may share your personal information.

Basis for sharing	Sharing	Limitations
<b>Servicing our Clients</b> We may share non-public personal information with non-affiliated third parties (such as brokers, custodians, regulators, credit agencies, other financial institutions) as necessary for us to provide agreed services to you consistent with applicable law, including but not limited to: <ul style="list-style-type: none"><li>• Processing transactions;</li><li>• General account maintenance;</li><li>• Responding to regulators or legal investigations; and</li><li>• Credit reporting, etc.</li></ul>	SIA may share this information.	Clients cannot limit the Advisors ability to share.
<b>Administrators</b> We may disclose your non-public personal information to companies we hire to help administrate our business. Companies we hire to provide services of this kind are not allowed to use your personal information for their own purposes and are contractually obligated to maintain strict confidentiality. We limit their use of your personal information to the performance of the specific service we have requested.	SIA may share this information.	Clients cannot limit the Advisors ability to share.
<b>Marketing Purposes</b> SIA does not disclose, and does not intend to disclose, personal information with non-affiliated third parties to offer you services. Certain laws may give us the right to share your personal information with financial institutions where you are a customer and where SIA or the client has a formal agreement with the financial institution. <b>We will only share information for purposes of servicing your accounts, not for marketing purposes.</b>	SIA does not share personal information.	Clients cannot limit the Advisors ability to share.
<b>Authorized Users</b> In addition, your non-public personal information may also be disclosed to you and persons we believe to be your authorized agent or representative.	SIA does share personal information.	Clients can limit the Advisors ability to share.
<b>Information About Former Clients</b> SIA does not disclose, and does not intend to disclose, non-public personal information to non-affiliated third parties with respect to persons who are no longer our clients.	SIA does not share personal information regarding former clients	Clients can limit the Advisors ability to share.

### How do we protect your information?

To safeguard your personal information from unauthorized access and use, we maintain physical, procedural and electronic safeguards. These include computer safeguards such as passwords, secured files and buildings.

Our employees are advised about SIA's need to respect the confidentiality of each client's non-public personal information. We train our employees on their responsibilities.

We require third parties that assist in providing our services to you to protect the personal information they receive. This includes contractual language in our third-party agreements.

### Changes to our Privacy Policy.

We will send you notice of our Privacy Policy annually for as long as you maintain an ongoing relationship with us.

Periodically we may revise our Privacy Policy and will provide you with a revised policy if the changes materially alter the previous Privacy Policy. We will not, however, revise our Privacy Policy to permit the sharing of non-public personal information other than as described in this notice unless we first notify you and provide you with an opportunity to prevent the information sharing.

### State specific regulations

California	In response to a California law, to be conservative, we assume accounts with California addresses do not want us to disclose personal information about you to non-affiliated third parties except as permitted by California law. We also limit the sharing of personal information about you with our affiliates to ensure compliance with California privacy laws.
Massachusetts	In response to a Massachusetts law, clients must "opt-in" to share non-public personal information with non-affiliated third parties before any personal information is disclosed. We may disclose non-public personal information to other financial institutions with whom we have joint business arrangements for proper business purposes in connection with the management or servicing of your account.
Vermont	In response to a Vermont regulation, if we disclose personal information about you to non-affiliated third parties we will only disclose your name, address, other contract information, and general information about our experience with you.

**Questions:** You may ask questions or voice any concerns, as well as obtain a copy of our current Privacy Policy by contacting us at (480) 269-9400 or via email at [info@springsteelinvest.com](mailto:info@springsteelinvest.com).