

Form ADV Part 2



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This brochure provides information about the qualifications and business practices of GS Investments, Inc. If you have any questions about the contents of this brochure, please contact us at john@gsinvestments.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.

Additional information about GS Investments, Inc. is also available at www.adviserinfo.sec.gov.

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Material Changes

Since our last annual filing, dated 3/15/13, GS Investments, Inc. has experienced no material changes.

Advisory Business

GS Investments, Inc., formed in 1993, is a privately-held investment management company specializing in individual and institutional asset management. Privately owned and operated, GS Investments, Inc. is run by its three principals, John G. Steinke, M.B.A. (60% ownership), Glenn H. Steinke, C.F.A. (20% ownership), and Greg Cunningham (20% ownership).

Majority owner John Steinke offers a broad financial services background with 22 years of portfolio management experience and 7 years of banking experience including capacities as a Vice President of a \$50 million bank and as a private banking officer for a large, Minneapolis-based financial institution.

Minority owner Glenn Steinke brings over 50 years of investment management experience to the business. Previous capacities include Vice President and Senior Investment Officer with a major pension fund (\$1.8 billion under management) and Senior Vice President with a major Minneapolis-based financial institution (\$3 billion under management).

Minority owner Greg Cunningham has been with GS Investments for 3/12 years. His previous experience includes 15 years with Ameriprise Financial, a national leader in financial planning with over 2 million retail clients and \$300 billion in assets. While at Ameriprise, Greg worked with the Chief Investment Officer in support of the international and domestic hedge funds and with the President and General Manager of Riversource mutual funds. Greg is a graduate of Gustavus Adolphus College in St. Peter, MN.

Sheri Ritchie rounds out the firm and brings over 21 years of financial services experience to the business. Previous capacities include client service and support positions with Dean Witter and Kemper brokerage firms and a Minneapolis-based investment management firm. Sheri is a graduate of the University of St. Thomas.

GS Investments, Inc., is an independent, fee for services investment advisor, registered with the SEC. The firm manages separate accounts for individuals, closely held businesses, trusts,

corporate pension and profit sharing plans, foundations and endowments on a fully-discretionary basis.

GS Investments, Inc. utilizes attractively valued, individual securities with the potential for growth for the core of its client holdings. Additionally, the firm looks to opportunistically complement the majority of portfolios with fixed income securities and “alternative” investments, in an effort to provide necessary income and adequate diversification while reducing risk and enhancing returns over time.

GS Investments, Inc. works closely its clients to develop the appropriate investment strategy in order to achieve their uniquely individual, long-term investment objectives.

GS Investments does not engage in wrap-fee account arrangements.

As of March 31, 2014, GS Investments, Inc. has \$118,893,044 of assets under management.

Fees and Compensation

As indicated earlier, GS Investments, Inc. is a fee-for-services investment adviser. Although fees are subject to negotiation, the firm’s Standard Fee Schedule is found below:

GSI Standard Fee Schedule.

0 - 1 Million	@	1.00%
1 - 5 Million	@	.75%
Above \$5 Million		Negotiable

Fees are determined and charged on a quarterly basis, in arrears and are automatically deducted from client accounts at the end of each calendar quarter.

In addition to the firm’s advisory fees, clients will also incur transaction charges/commissions for the investments bought or sold. GS Investments, Inc. seeks to provide best execution for client trades regardless of the brokerage firm used to make client trades.

The client may also incur charges imposed by custodians, other than Charles Schwab, and/or mutual fund management charges.

Refunds of investment management fees are not available as clients are billed in arrears for work already completed.

Selection of the associated custodian is left to the option of the client although most of the firm's accounts are held at Charles Schwab.

Performance-Based Fees and Side by Side Management

GS Investments, Inc. does not engage in performance-based, fee generation or collection.

Types of Clients

GS Investments, Inc. manages separate accounts for individuals, closely held businesses, trusts, corporate pension and profit sharing plans, foundations and endowments.

Methods of Analysis, Investment Strategies and Risk of Loss

GS Investments, Inc. works with each client to determine goals and objectives. At that point, the firm utilizes a combination of brokerage research, trade journals, professional publications, experience and internally-developed models to analyze investment vehicles for its clients and their respective accounts.

GS Investments, Inc. utilizes a balanced approach for the majority of its accounts although each account is tailored to the individual needs of each client. Taxable or tax-exempt bonds are used along with a common stock component. The division between bonds and stocks is determined by the personal objectives of each client. A need for income and a willingness to assume risk are also determinants of an account's bond/stock mix.

GS Investments, Inc. emphasizes the purchase of quality securities and employs a long-term investment style as market timing, frequent shifts in asset allocation and interest rate forecasting are not consistent with the firm's philosophy. In depth market analysis and many years of experience support this approach.

GS Investments, Inc. emphasizes a staggered maturity approach when purchasing bonds. Individual security investment grades and call protection are considered when making these investments. Quality grades of "A" or higher are favored with tax-exempt issues. Government bonds are dominant among taxable securities.

GS Investments, Inc. may also employ the use of "alternative" securities such as Real Estate Investments Trusts (REITs), International Exchange Traded Funds (ETFs) and fixed

income/bond ETFs. These securities are used, when and where appropriate to provide inverse correlation to other asset classes and to reduce the market risk for GS Investments clients.

GS Investments, Inc. favors stocks emphasizing quality and growth. Appropriate cyclical growth stocks and small capitalization growth stocks are used periodically as well. Additionally, GS Investments, Inc. believes that a growth oriented philosophy tends to result in less frequent trading and lower tax payments (for taxable accounts) on realized capital gains. This provides a lower cost approach for the client.

GS Investments, Inc. works with each client to achieve proper asset allocation (between stocks and bonds) and diversification (among securities) in an effort to provide the appropriate risk-adjusted return. Each client is aware however, that despite all efforts to guard against loss of principal, all or part of the client's capital is subject to loss.

Disciplinary Information

There is no disciplinary history for GS Investments, Inc. or any of its Principals.

Other Financial Industry Activities and Affiliations

GS Investments, Inc. does not participate in "other financial activities" (shown below) nor has it other financial industry affiliations.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

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

GS Investments, Inc. complies with both the CFA Institute Code of Ethics and Standards of Professional Conduct and the Code of Ethics established by the Securities and Exchange Commission's Rule 204A-1.

Specifically, the firm's Code of Ethics sets out standards of conduct expected of advisory personnel, safeguards material nonpublic information about client transactions and requires advisers' "access persons" to report their personal securities transactions, including transactions in any mutual fund managed by the adviser.

The GS Investments, Inc. Code of Ethics is available to any current or prospective client upon request.

Brokerage Practices and Custody

GS Investments, Inc. does not engage in soft dollar arrangements.

GS Investments, Inc. seeks to achieve best execution for all client trades.

In trading stocks, most trades are made using the New York Stock Exchange. However, the NASDAQ is also used but to a lesser extent. Most client accounts hold highly liquid large capitalization stocks. For that reason, most orders are placed as market orders. Where liquidity is less evident, limit orders may be used. Bond trading is done on the NASDAQ. New issues are favored when purchases are made. Secondary market issues may also be used, and their attractiveness is determined by comparing their return with that of U S Treasuries. Most bond holdings are held to maturity.

Charles Schwab & Co. acts as custodian for a large portion of GS Investments client accounts. Other custodians are Wells Fargo and Associated Bank. Electronic trading is used at Charles Schwab. Trading for one account custodied at Wells Fargo is done with several major brokerage firms named on our approved list of brokers.

Most client accounts are held in custody by Charles Schwab & Co. Most of the time, electronic trading is done with Charles Schwab accounts. Client accounts are also custodied at Wells Fargo, and Associated Bank. The firm has a duty to seek terms that secure best execution for and maximize the value of (i.e., ensure the best possible result overall) each client's portfolio.

The firm must seek the most favorable terms for client trades given the particular circumstances for each trade (such as transaction size, market characteristics, liquidity of security, security type). The firm also must consider which brokers or venues provide best execution while considering, among other things, commission rates, timeliness of trade executions, and the ability to maintain anonymity, minimize incomplete trades, and minimize market impact. In cases where a client directs GS Investments, Inc. to place trades through a specific broker or through a particular type of broker, the firm should alert the client that by limiting GSI's ability to select the broker, the client may not be receiving best execution and GSI should seek written acknowledgment of such from the client.

Many securities held by GS Investments clients are held by GS Investments employees. At Charles Schwab, five master accounts are used.

Client trades are executed before employee trades when trading programs are instituted.

Review of Accounts

GS Investments, Inc. recognizes it has a fiduciary responsibility to its clients to consistently monitor client accounts to ensure that their respective goals and objectives are being met. Many steps are taken to achieve this goal and they are identified below:

1. Goals and Objectives
 - a. Work with client(s) to establish both qualitative and quantitative objectives.
 - b. Work with client(s) to determine income needs, both current and long-term.
2. Portfolio construction
 - a. Based on goals and objectives, determine portfolio construction, asset allocation and other diversification parameters.
3. Determine other needs/concerns
 - a. Estate planning
 - b. Insurance
 - c. Accounting

GSI is committed to monitoring client accounts, including goals and objectives, at least quarterly. In the event there are significant additions or withdrawals to client accounts or other significant events occur, client goals and objectives will be reviewed more frequently. This may result in the changing or updating of existing client-related forms and/or documentation.

Client Referrals and Other Compensation

GSI is currently engaged in a fee-sharing arrangement with Paul Kenworthy (Kenworthy). In accordance with the arrangement, Kenworthy agrees to direct accounts/relationships to GSI for investment management services, splitting fees on a 65% (Kenworthy) and 35% (GSI) basis. The fee schedule applied to the associated accounts is consistent with other fee schedules currently in place with GSI.

As a part of the investment management services provided, GSI agrees to maintain all accounts/relationships directed to it on its internal investment management software program, currently Advent Software. Additionally, GSI agrees to provide quarterly reports to all client accounts under the terms of this relationship.

Kenworthy is not employed by GSI; rather he serves as a solicitor of business for the firm.

The firm does not generate any “other” forms of compensation outside the customary advisory fees generated for services rendered.

Investment Discretion

GS Investments, Inc. maintains discretionary, trading authority for all of its clients’ accounts. The firm is granted this authority by having the client sign the associated custodial form(s) and the GS Investments Investment Advisory Agreement(s).

Voting Client Securities

GS Investments, Inc. does not vote proxies on behalf of its client base. This information has been distributed to the Adviser’s current customer base. Acknowledgement of receipt of this document is contained in the Adviser’s Investment Advisory Agreement.

In the event that there is evidence of proxy voting on behalf of a client, the firm’s Chief Compliance Officer, John Steinke, should be notified immediately and the appropriate disciplinary action taken.

Financial Information

Company financial information is available upon request from the firm’s Chief Compliance Officer, John Steinke.