

Disclosure Brochure

OCTOBER 19, 2015



This brochure provides information about the qualifications and business practices of Steel Peak Wealth Management, LLC (hereinafter "Steel Peak" or the "Firm"). If you have any questions about the contents of this brochure, please contact Reza Zamani at (818) 835-8721. 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 Steel Peak Wealth Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Steel Peak Wealth Management, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

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Item 2. Material Changes

This Item discusses only the material changes that have occurred since Steel Peak's last annual update filed on February 27, 2015. As set forth in additional detail in Item 10, Steel Peak has the following material changes to report:

- Steel Peak is under common control with Steel Peak Estate & Insurance Agency, LLC, a duly licensed insurance agency.
- Steel Peak does not render real estate services to its investment advisory clients; however, Steel Peak or its Supervised Persons, may recommend and refer certain clients to various licensed real estate companies. For any clients that utilize a real estate company recommended by the Firm, the real estate company may pay the Firm a marketing fee of up to 10% based upon the real estate company's compensation. Clients retain absolute discretion over all decisions regarding acceptance of any recommendations and are under no obligation to act upon any of the recommendations made by Steel Peak or to engage the services of any such recommended professionals.

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Item 4. Advisory Business

Steel Peak provides financial planning, consulting, and investment management services. Prior to engaging Steel Peak to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Steel Peak setting forth the terms and conditions under which Steel Peak renders its services (collectively the “*Agreement*”).

Steel Peak began conducting advisory business in October 2012. It is owned by Reza Zamani, Ali Zamani, and Maziar Esmailbeigi. As of December 31, 2014, the Firm had \$371,396,606 of assets under management. \$329,598,682 of these assets were managed on a discretionary basis and \$41,797,924 were managed on a non-discretionary basis.

This Disclosure Brochure describes the business of Steel Peak. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Steel Peak’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Steel Peak’s behalf and is subject to Steel Peak’s supervision or control.

Financial Planning and Consulting Services

Steel Peak may provide its clients with a broad range of comprehensive financial planning and consulting services. These services are tailored to the individual needs of the client, but focus on asset allocation, tax planning, and estate planning.

In performing its services, Steel Peak is not required to verify any information received from the client or from the client’s other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Steel Peak may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Steel Peak recommends its own services. The client is under no obligation to act upon any of the recommendations made by Steel Peak under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Steel Peak itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Steel Peak’s recommendations. Clients are advised that it remains their responsibility to promptly notify Steel Peak if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Steel Peak’s previous recommendations and/or services.

Wealth Management Services

Clients can engage Steel Peak to manage all or a portion of their assets on a discretionary or non-discretionary basis, which is generally inclusive of the financial planning services described above. Steel Peak primarily allocates clients’ investment management assets among mutual funds, exchange-traded funds (“ETFs”), Independent investment managers (“Independent Managers”) and individual equity

securities in accordance with the investment objectives of the client. Steel Peak also provides advice about any type of investment held in clients' portfolios.

Steel Peak tailors its advisory services to the individual needs of clients. Steel Peak consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. Steel Peak ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Steel Peak if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Steel Peak's management services. Clients may impose reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in Steel Peak's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Use of Independent Managers

As mentioned above, Steel Peak may select certain Independent Managers to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an Independent Manager may be set forth in a separate written agreement with the designated Independent Manager. In addition to this brochure, clients may also receive the written disclosure documents of the respective Independent Managers engaged to manage their assets.

Steel Peak evaluates a variety of information about Independent Managers, which may include the Independent Managers' public disclosure documents, materials supplied by the Independent Managers themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the Independent Managers' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Steel Peak also takes into consideration each Independent Manager's management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Steel Peak continues to provide services relative to the discretionary or non-discretionary selection of the Independent Managers. On an ongoing basis, the Firm monitors the performance of those accounts being managed by Independent Managers. Steel Peak seeks to ensure the Independent Managers' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

Sponsor / Manager of Wrap Program

Steel Peak is the sponsor and manager of the Steel Peak Wealth Management Wrap Fee Program (the "*Program*"), a wrap fee program. In the event the client participates in the *Program*, Steel Peak provides its investment management services and arranges for brokerage transactions under a single annualized

fee. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. A complete description of the *Program's* terms and conditions (including fees) are contained in the *Program's* wrap fee brochure. All assets are managed within the Firm's wrap fee program, so there is no difference in the management of wrap accounts from other accounts.

Item 5. Fees and Compensation

Steel Peak offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management. Additionally, certain of Steel Peak's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement.

Financial Planning and Consulting Fees

Steel Peak may charge a fixed fee for financial planning and consulting services. These fees are negotiable, but generally range from \$1,000 to \$3,000, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. If the client engages Steel Peak for additional investment advisory services, Steel Peak may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Prior to engaging Steel Peak to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Steel Peak setting forth the terms and conditions of the engagement. Generally, Steel Peak requires one-half of the financial planning and/or consulting fee payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Wealth Management Fee

Steel Peak provides wealth management services for an annual fee based upon a percentage of the market value of the assets being managed by Steel Peak. All information regarding fees are contained within the *Program's* wrap fee brochure.

The Firm does not charge a fee for any assets held outside the *Program*. These assets, however, are not managed by the Firm and may be held through the Firm's custodial relationships (as described in Item 12) for the convenience of the client. The client is responsible for paying any transaction charges associated with trading in the account. Steel Peak takes no responsibility for the management of these assets.

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), Steel Peak generally recommends that clients utilize the brokerage and clearing services of an independent broker-dealer for investment management accounts.

Steel Peak may only implement its investment management recommendations after the client has arranged for and furnished Steel Peak with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to any broker-dealers recommended by Steel Peak, broker-dealers directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Steel Peak's fee.

Steel Peak's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Steel Peak to debit the client's account for the amount of Steel Peak's fee and to directly remit that management fee to Steel Peak. Any *Financial Institutions* recommended by Steel Peak have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Steel Peak. Alternatively, clients may elect to have Steel Peak send an invoice for payment.

Fees for Management During Partial Quarters of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between Steel Peak and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Steel Peak's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to Steel Peak's right to terminate an account. Additions may be in cash or securities provided that Steel Peak reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Steel Peak, subject to the usual and customary securities settlement procedures. However, Steel Peak designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Steel Peak may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to

transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with Steel Peak (but not Steel Peak) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with Steel Peak. Under this arrangement, clients may implement securities transactions through certain of Steel Peak's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments, Inc. ("PKS"), an SEC registered broker-dealer and member of FINRA. PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, certain of Steel Peak's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment.

A conflict of interest exists to the extent that Steel Peak recommends the purchase of securities where Steel Peak's *Supervised Persons* receive commissions or other additional compensation as a result of Steel Peak's recommendations. Steel Peak has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that Steel Peak, in its sole discretion deems appropriate), Steel Peak provides its investment advisory services on a fee-offset basis. In this scenario, Steel Peak may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by Steel Peak's *Supervised Persons* in their individual capacities as registered representatives of PKS.

Item 6. Performance-Based Fees and Side-by-Side Management

Steel Peak does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Steel Peak provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

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

Methods of Analysis and Investment Strategies

As part of its investment strategy, the Firm meets with clients to prepare an initial financial plan, which forms the basis to determine an asset allocation strategy. Steel Peak primarily manages client assets through one of its model portfolios, which generally consist of mutual funds, ETFs, and individual debt and equity securities, and alternative investments (including structured products). The Firm reviews its model portfolios on an ongoing basis and implements changes as necessary. In addition, Steel Peak reviews each client's financial plan on an ongoing basis and makes any necessary adjustments.

Risks of Loss

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of Steel Peak's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Steel Peak will be able to predict those price movements accurately.

Use of Independent Managers

As stated above, Steel Peak may select certain Independent Managers to manage a portion of its clients' assets. In these situations, Steel Peak continues to conduct ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Steel Peak generally may not have the ability to supervise the Independent Managers on a day-to-day basis.

Management Through Similarly Managed Accounts

Steel Peak manages portfolios by allocating portfolio assets among various securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, Steel Peak buys, sells, exchanges and/or transfers securities based upon the *investment strategy*.

Steel Peak's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

Securities in the *investment strategy* are usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to Steel Peak's clients may be limited. As further discussed in response to Item 12B (below), Steel Peak allocates investment opportunities among its clients on a fair and equitable basis.

Item 9. Disciplinary Information

Steel Peak has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management.

Item 10. Other Financial Industry Activities and Affiliations

Steel Peak is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Steel Peak has described such relationships and arrangements below.

Steel Peak Wealth Management, LLC Disclosure Brochure

Registered Representatives of Broker Dealer

As discussed above in Item 5, certain of Steel Peak's *Supervised Persons* are registered representatives of PKS.

Receipt of Insurance Commission

Steel Peak is under common control with Steel Peak Estate & Insurance Agency, LLC, a duly licensed insurance agency. Certain of Steel Peak's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with Steel Peak Estate & Insurance Agency, LLC and various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While Steel Peak does not sell such insurance products to its investment advisory clients, Steel Peak does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that Steel Peak recommends the purchase of insurance products where Steel Peak's *Supervised Persons* receive insurance commissions or other additional compensation.

Mortgage Referrals

Steel Peak does not sell mortgage products to its investment advisory clients; however, Steel Peak or its *Supervised Persons*, may recommend and refer certain clients to various licensed mortgage brokers. Steel Peak or its *Supervised Persons* will be entitled to receive a referral fee from the mortgage brokers based upon the mortgage brokers' compensation. Generally, the mortgage brokers will remit a 10% referral fee for commercial loans, and a 20% referral fee for residential loans.

Real Estate Referrals

Steel Peak does not render real estate services to its investment advisory clients; however, Steel Peak or its *Supervised Persons*, may recommend and refer certain clients to various licensed real estate companies. For any clients that utilize a real estate company recommended by the Firm, the real estate company may pay the Firm a marketing fee of up to 10% based upon the real estate company's compensation. Clients retain absolute discretion over all decisions regarding acceptance of any recommendations and are under no obligation to act upon any of the recommendations made by Steel Peak or to engage the services of any such recommended professionals.

Fees from Independent Managers

As discussed above, Steel Peak recommends that certain clients authorize the active discretionary management of a portion of their assets by and/or among certain Independent Managers. In certain circumstances the Firm's compensation is included in the advisory fee charged by such Independent Managers. There may be a conflict of interest to choose such Independent Managers; however, Steel

Peak evaluates Independent Managers objectively and not based on the amount of compensation it may receive from a particular Independent Manager.

Item 11. Code of Ethics

Steel Peak and persons associated with Steel Peak (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients consistent with Steel Peak’s policies and procedures.

Steel Peak has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“*Code of Ethics*”). Steel Peak’s *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Steel Peak or any of its associated persons. The *Code of Ethics* also requires that certain of Steel Peak’s personnel (called “*Access Persons*”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

When Steel Peak is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated above.

Clients and prospective clients may contact Steel Peak to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

Steel Peak generally recommends that clients utilize the brokerage and clearing services of Charles Schwab & Co., Inc. ("*Schwab*") and TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("*TD Ameritrade*") for investment management accounts. Steel Peak participates in the institutional customer program offered by *TD Ameritrade*. *TD Ameritrade* offers to independent investment advisers services which include custody of securities, trade execution, clearance and settlement of transactions. Steel Peak receives some benefits from *TD Ameritrade* through its participation in the program.

Factors which Steel Peak considers in recommending *Schwab*, *TD Ameritrade* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Schwab* and *TD Ameritrade* enable Steel Peak to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Schwab* and *TD Ameritrade* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Steel Peak's clients comply with Steel Peak's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Steel Peak determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Steel Peak seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Steel Peak and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Steel Peak periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Steel Peak in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Steel Peak will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Steel Peak (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Steel Peak may decline a client's request to direct brokerage if, in Steel Peak's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless Steel Peak decides to purchase or sell the same securities for several clients at approximately the same time. Steel Peak may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Steel Peak’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Steel Peak’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Steel Peak determines to aggregate client orders for the purchase or sale of securities, including securities in which Steel Peak’s *Supervised Persons* may invest, Steel Peak generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Steel Peak does not receive any additional compensation or remuneration as a result of the aggregation. In the event that Steel Peak determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Steel Peak may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Steel Peak in its investment decision-making process. Such research generally will be used to service all of Steel Peak’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Steel Peak does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *PKS*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts

registered representatives from conducting securities transactions away from their broker-dealer unless *PKS* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *PKS* unless they first secure written consent from *PKS* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKS*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKS* under *PKS*'s internal supervisory policies. Steel Peak is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

Steel Peak may receive from *Schwab* and *TD Ameritrade*, without cost to Steel Peak, computer software and related systems support, which allow Steel Peak to better monitor client accounts maintained at those custodians. Steel Peak may receive the software and related support without cost because Steel Peak renders investment management services to clients that maintain assets at *Schwab* and *TD Ameritrade*. The software and support is not provided in connection with securities transactions of clients (i.e. not "soft dollars"). The software and related systems support may benefit Steel Peak, but not its clients directly. In fulfilling its duties to its clients, Steel Peak endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Steel Peak's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Steel Peak's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Steel Peak may receive the following benefits from *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. The Firm also receives a monetary allowance from Schwab that is used towards technology and website development.

There is no direct link between Steel Peak's participation in *TD Ameritrade*'s institutional program and the investment advice it gives to its clients, although Steel Peak receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. Additionally, Steel Peak may receive the following benefits from *TD Ameritrade* through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

These products or services may assist Steel Peak in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help Steel Peak manage and further develop its business enterprise. The benefits received by Steel Peak's participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*.

Item 13. Review of Accounts

For those clients to whom Steel Peak provides investment management services, Steel Peak monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Steel Peak provides financial planning and/or consulting services, reviews are conducted on an "as needed" basis. Such reviews are conducted by one of Steel Peak's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Steel Peak and to keep Steel Peak informed of any changes thereto. Steel Peak contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Steel Peak provides investment advisory services will also receive a report from Steel Peak that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis. Clients should compare the account statements they receive from their custodian with those they receive from Steel Peak.

Those clients to whom Steel Peak provides financial planning and/or consulting services will receive reports from Steel Peak summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by Steel Peak.

Item 14. Client Referrals and Other Compensation

In addition, Steel Peak is required to disclose any direct or indirect compensation that it provides for client referrals. The Firm does not provide compensation for client referrals.

Steel Peak is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. Steel Peak may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

Item 15. Custody

Steel Peak's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Steel Peak and/or the Independent Managers through such *Financial Institution* to debit the client's account for the amount of Steel Peak's fee and to directly remit that management fee to Steel Peak in accordance with applicable custody rules.

The *Financial Institutions* recommended by Steel Peak have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Steel Peak. In addition, as discussed in Item 13, Steel Peak also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Steel Peak.

Item 16. Investment Discretion

Steel Peak may be given the authority to exercise discretion on behalf of clients. Steel Peak is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Steel Peak is given this authority through a power-of-attorney included in the agreement between Steel Peak and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Steel Peak takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.
- The Independent Managers to be hired or fired.

Item 17. Voting Client Securities

Steel Peak does not accept the authority to vote clients' securities (i.e., proxies) on their behalves. However, as an accommodation, clients may choose to instruct the custodian to forward all proxies and shareholder communications to Steel Peak relating to the clients' assets. Despite language in the custodian (s)' account opening applications that may authorize Steel Peak to vote proxies and make other relevant elections, the client acknowledges that Steel Peak is not responsible for: (a) directing the manner in which proxies are solicited by issuers of securities the client beneficially own shall be voted, and (b) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the securities in the account.

Item 18. Financial Information

Steel Peak is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.



Prepared by:



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