



*a Registered Investment Adviser*

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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 the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The Firm is a registered investment adviser. Registration does not imply any level of skill or training.

**Item 2. Material Changes**

In this Item, Steel Peak is required to discuss any material changes that have been made to the brochure since the last annual amendment filed on March 31, 2018. The Firm has amended the brochure to explain that, where appropriate, it will introduce qualified clients to private fund managers or other private investments, but such introductions are not part of the Firm's advisory services and the Firm will endeavor to disclose conflicts where an introduction is made. Also, the Firm's Supervised Persons are no longer registered representatives of any broker-dealer, so such references have been removed. Finally, the Firm recommends the Law Offices of Brian McGilvray for living trusts and wills. There is a conflict of interest because Mr. McGilvray maintains his legal practice at the same address as the Firm.

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## Item 4. Advisory Business

Steel Peak offers a variety of advisory services, which include financial planning, consulting, and investment management services. Prior to Steel Peak rendering any of the foregoing advisory services, clients are required to enter into one or more written agreements with Steel Peak setting forth the relevant terms and conditions of the advisory relationship (the “Advisory Agreement”).

Steel Peak began conducting advisory business in October 2012. The Firm is owned by Reza Zamani, Ali Zamani, and Maziar Esmailbeigi. As of December 31, 2018, the Firm had \$683,951,750 of assets under management. \$664,467,178 of these assets were managed on a discretionary basis and \$19,484,572 were managed on a non-discretionary basis.

While this brochure generally describes the business of Steel Peak, certain sections also discuss the activities of its Supervised Persons, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or other persons who provide investment advice on Steel Peak’s behalf and are subject to the Firm’s supervision or control.

### Financial Planning and Consulting Services

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Steel Peak offers clients a broad range of 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 these services, Steel Peak is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information. Steel Peak recommends certain clients engage the Firm for additional related services, its Supervised Persons in their individual capacities as insurance agents and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists for the Firm to recommend that clients engage Steel Peak or its affiliates to provide (or continue to provide) additional services for compensation, including investment management services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Steel Peak under a financial planning or consulting engagement. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Steel Peak’s recommendations and/or services.

### Wealth Management Services

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Steel Peak manages client investment portfolios on a discretionary or non-discretionary basis. Steel Peak primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), and independent investment managers (“Independent Managers”) in accordance with their stated investment

objectives. In addition, Steel Peak also recommends that certain eligible clients invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds).

Where appropriate, the Firm also provides advice about any type of legacy position or other investment held in client portfolios. Clients can engage Steel Peak to manage and/or advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Steel Peak directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

Steel Peak tailors its advisory services to meet the needs of its individual clients and seeks to ensure, on a continuous basis, that client portfolios are managed in a manner consistent with those needs and objectives. Steel Peak consults with clients on an initial and ongoing basis to assess their specific risk tolerance, time horizon, liquidity constraints and other related factors relevant to the management of their portfolios. Clients are advised to promptly notify Steel Peak if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients can impose reasonable restrictions or mandates on the management of their accounts if Steel Peak determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

#### *SP Dynamic Advisor Platform*

In addition to the fully customized portfolios managed by Steel Peak, the Firm offers the SP Dynamic Advisor Platform program to certain clients with smaller asset levels or those that don't require such customization. The Firm will utilize the Schwab Intelligent Portfolios™ platform for the program. Clients will complete their investor profile on-line and assets will be allocated into one or more of the portfolios created and managed Steel Peak.

#### **Use of Independent Managers**

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As mentioned above, Steel Peak selects 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 includes 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.

### **Private Investment Consulting Services**

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Where appropriate, Steel Peak offers its clients consulting services whereby it recommends private placement investments for its clients. Typically, investors must qualify as "accredited investors" as defined in Rule 501(a) under the Securities Act of 1933 in order to invest in these securities. There are numerous risks associated with investing in these securities, including the lack of significant regulation, the lack of liquidity, and other risks. Clients should consult each issuer's private placement memorandum and/or other documents explaining the risks and conflicts of interest prior to investing. In certain circumstances, Steel Peak or its principals may receive certain benefits from persons that are associated with such private investments, and this creates a potential conflict of interest as it provides an incentive for Steel Peak to recommend such private investments to its clients. Nonetheless, Steel Peak has instituted policies and procedures designed to mitigate such conflicts and to ensure that the Firm will only recommend such investments when they are in the best interest of its clients.

## **Item 5. Fees and Compensation**

Steel Peak offers services on a fee basis, which includes fixed, as well as fees based upon assets under management. Additionally, certain of the Firm's Supervised Persons, in their individual capacities, offers securities brokerage services and/or insurance products under a separate commission-based arrangement.

### **Financial Planning and Consulting Fees**

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Steel Peak charges a fixed and/or hourly fee for providing financial planning and consulting services under a stand-alone engagement. These fees are negotiable, but range from \$500 to \$5,000, depending upon the scope and complexity of the services and the professional rendering the financial planning and/or the consulting services. If the client engages the Firm 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.

The terms and conditions of the financial planning and/or consulting engagement are set forth in the Advisory Agreement and Steel Peak requires one-half of the fee (estimated hourly or fixed) payable upon execution of the Advisory Agreement. The outstanding balance is due upon delivery of the financial plan or completion of the agreed upon services. The Firm does not, however, take receipt of \$1,200 or more in prepaid fees in excess of six months in advance of services rendered.

### **Investment Management Fees**

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Steel Peak offers investment management services for an annual fee based on the amount of assets under the Firm's management. This management fee varies between 75 and 195 basis points (0.75% – 1.95%), depending upon the size and composition of a client's portfolio and the type of services rendered.

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by Steel Peak on the last day of the previous quarter. Because the various custodians that hold and value client accounts may have different methods of calculating accrued income of certain securities, the Firm utilizes an independent third party reporting company for all calculations of accrued income for billing purposes.

If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is not adjusted to reflect the interim change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the advisory agreement is terminated, the fee for the final billing period is prorated through the effective date of the termination and the outstanding or unearned portion of the fee is charged or refunded to the client, as appropriate.

### *Private Investment Consulting Services*

Steel Peak charges a consulting fee of 25 to 50 basis points (0.25% – 0.50%) per annum of the assets that are invested in private investments. This fee is prorated and billed quarterly in advance, based on the amount of capital invested in such private investments.

The Firm's Agreement will authorize Steel Peak to debit its clients' accounts for the amount of the advisory fee and to directly remit that fee to Steel Peak. Any Financial Institutions recommended by Steel Peak have agreed to send statements to clients not less than quarterly indicating all amounts disbursed from the account, including the amount of advisory fees paid directly to Steel Peak. Clients will be required to open an account with the Firm's primary custodial relationship, Charles Schwab & Co., Inc. ("Schwab"), in order to allow the Firm to withdraw its quarterly fee.

Additionally, for asset management services the Firm provides with respect to certain client holdings (e.g., held-away assets, accommodation accounts, alternative investments, etc.), Steel Peak may negotiate a fee rate that differs from the range set forth above.

**Fee Discretion**

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Steel Peak may, in its sole discretion, negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing/legacy client relationship, account retention and pro bono activities.

**Additional Fees and Expenses**

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In addition to the advisory fees paid to Steel Peak, clients also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees attributable to alternative assets, fees charged by the Independent Managers, margin costs, charges imposed directly by a mutual fund or ETF in a client’s account, as 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. The Firm’s brokerage practices are described at length in Item 12, below.

**Direct Fee Debit**

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Clients provide Steel Peak and/or certain Independent Managers with the authority to directly debit their accounts for payment of the investment advisory fees. The Financial Institutions that act as the qualified custodian for client accounts, from which the Firm retains the authority to directly deduct fees, have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Steel Peak.

**Account Additions and Withdrawals**

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Clients can make additions to and withdrawals from their account at any time, subject to Steel Peak’s right to terminate an account. Additions can be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or declines to accept particular securities into a client’s account. Clients can withdraw account assets on notice to Steel Peak, subject to the usual and customary securities settlement procedures. However, the Firm 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 implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, short-term redemption fees, fees assessed at the mutual fund level (*e.g.*, contingent deferred sales charges) and/or tax ramifications.



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

Steel Peak does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

## 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

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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. Steel Peak customizes an allocation amongst approximately 70 proprietary models developed by the Firm as well as certain Independent Managers and alternative investments. Clients that engage the Firm through the SP Dynamic Advisor Platform will have their assets managed in up to ten models made up of ETFs.

### Risk of Loss

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The following list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with respect to the Firm's investment management activities. Clients should consult with their legal, tax, and other advisors before engaging the Firm to provide investment management services on their behalf.

#### *Market Risks*

Investing involves risk, including the potential loss of principal, and all investors should be guided accordingly. The profitability of a significant portion of Steel Peak's recommendations and/or investment

decisions may depend to a great extent upon correctly assessing the future course of price movements of stocks, bonds and other asset classes. In addition, investments may be adversely affected by financial markets and economic conditions throughout the world. There can be no assurance that Steel Peak will be able to predict these price movements accurately or capitalize on any such assumptions.

#### *Volatility Risks*

The prices and values of investments can be highly volatile, and are influenced by, among other things, interest rates, general economic conditions, the condition of the financial markets, the financial condition of the issuers of such assets, changing supply and demand relationships, and programs and policies of governments.

#### *Cash Management Risks*

The Firm may invest some of a client's assets temporarily in money market funds or other similar types of investments, during which time an advisory account may be prevented from achieving its investment objective.

#### *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 actual 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 potentially 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 20,000 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.

*Use of Independent Managers*

As stated above, Steel Peak selects 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 does not have the ability to supervise the Independent Managers on a day-to-day basis.

*Use of Private Collective Investment Vehicles*

Steel Peak recommends that certain clients invest in privately placed collective investment vehicles (*e.g.*, hedge funds, private equity funds, etc.). The managers of these vehicles have broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments which may be traded and no requirement to diversify. Hedge funds may trade on margin or otherwise leverage positions, thereby potentially increasing the risk to the vehicle. In addition, because the vehicles are not registered as investment companies, there is an absence of regulation. There are numerous other risks in investing in these securities. Clients should consult each fund's private placement memorandum and/or other documents explaining such risks prior to investing.

*Use of Other Private Investments*

Where appropriate, Steel Peak recommends that its clients invest in private investments offered by various issuers. Such investments are subject to various risks, including the lack of significant securities regulation, the lack of liquidity, various operating risks of the issuers, among other risks. Investors must be willing to hold such investments for an indefinite period of time and be prepared to risk the loss of all amounts invested. Clients should consult each issuer's private placement memorandum and/or other documents explaining the risks and conflicts of interest prior to investing.

*Use of Structured Products*

Purchasing structured products involve derivatives and a higher degree of risk factors that may not be suitable for all investors. Such risks include risk of adverse or unanticipated market developments, issuer credit quality risk, risk of counterparty or issuer default, risk of lack of uniform standard pricing, risk of adverse events involving any underlying reference obligations, entity or other measure, risk of high volatility, and risk of illiquidity/ little to no secondary market. In certain transactions, investors may lose their entire investment, *i.e.*, incur an unlimited loss.

*Management through Similarly Managed "Model" Accounts*

Steel Peak manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through

the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact the Firm if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

#### *Currency Risks*

An advisory account that holds investments denominated in currencies other than the currency in which the advisory account is denominated may be adversely affected by the volatility of currency exchange rates.

#### *Interest Rate Risks*

Interest rates may fluctuate significantly, causing price volatility with respect to securities or instruments held by clients.

## **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 its management.

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

This item requires investment advisers to disclose certain financial industry activities and affiliations.

#### **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**

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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. A conflict of interest exists to the extent that Steel Peak or its Supervised Persons recommend mortgage products where Steel Peak or its Supervised Persons receive compensation.

### **Real Estate Referrals**

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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. A conflict of interest exists to the extent that Steel Peak or its Supervised Persons recommend real estate companies where Steel Peak or its Supervised Persons receive compensation.

### **Estate Attorney Referrals**

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Neither the Firm nor any of its Supervised Persons provide legal services to clients of the Firm. The Law Offices of Brian McGilvray, however, maintains a legal practice located at the same address as that of Steel Peak. The Firm will recommend Mr. McGilvray to clients for creating Living Trusts and Wills. Mr. McGilvray's legal practice is separate and distinct from the Firm's investment advisory activities and services are provided pursuant to a separate engagement and for separate fees, which are agreed upon prior to rendering any legal services. While Mr. McGilvray and Steel Peak do not share in any fees, there exists a conflict of interest to the extent that Mr. McGilvray pays Steel Peak for office space and services.

### **Fees from Independent Managers**

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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 is 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.

### **Introductions to Private Fund Managers and Other Private Investments**

The Firm and its personnel have personal or business relationships with one or more private fund managers or other issuers of private investments (together "Private Investments"). Where appropriate, the Firm will introduce its clients to such Private Investments. The Firm or its Supervised Persons make these introductions solely as a convenience to clients and not as an investment advisory service or recommendation. Therefore, neither the Firm nor its personnel are responsible for conducting due diligence on or monitoring such Private Investments on behalf of such clients. Clients are solely responsible for deciding whether to make any investments or enter into any arrangements. Clients must conduct their own independent evaluation of the Private Investments and determine whether any specific investment is appropriate for them given their circumstances. The Firm or its personnel may make introductions where there is a conflict of interest (such as where the Firm or the personnel has a direct or indirect ownership or other interest in the Private Investment). The Firm will endeavor to disclose such conflicts even though the Firm is not acting as the investment adviser. The Firm does not receive any compensation (either from the issuer of the Private Investment or from clients) for introducing the Private Investments to its clients unless it's part of the Firm's Private Investment Consulting Services

## **Item 11. Code of Ethics**

Steel Peak has adopted a code of ethics in compliance with applicable securities laws ("Code of Ethics") that sets forth the standards of conduct expected of its Supervised Persons. Steel Peak's Code of Ethics contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its Supervised Persons and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The Code of Ethics also requires certain of Steel Peak's personnel to report their personal securities holdings and transactions and obtain pre-approval of certain investments (*e.g.*, initial public offerings, limited offerings). However, the Firm's Supervised Persons are permitted to buy or sell securities that it also recommends to clients if done in a fair and equitable manner that is consistent with the Firm's policies and procedures. This Code of Ethics has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by certain personnel to be completed without any appreciable impact on the markets of such securities. Therefore, under limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Supervised Person with access to this information may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the Supervised Person is completed as part of a batch trade 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 money market funds; and iv) shares issued by other unaffiliated open-end mutual funds.

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

## Item 12. Brokerage Practices

### Recommendation of Broker-Dealers for Client Transactions

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Steel Peak recommends that clients utilize the custody, brokerage and clearing services of Charles Schwab & Co, Inc. through its Schwab Advisor Services division ("Schwab") and TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. ("TD Ameritrade" and together with Schwab, the "Custodians") for investment management accounts. Steel Peak participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer and FINRA member. 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. The final decision to custody assets with the Custodians is at the discretion of the client, including those accounts under ERISA or IRA rules and regulations, in which case the client is acting as either the plan sponsor or IRA accountholder. Steel Peak is independently owned and operated and not affiliated with the Custodians. The Custodians provides Steel Peak with access to its institutional trading and custody services, which are typically not available to retail investors.

Factors which Steel Peak considers in recommending the Custodians or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. The

Custodians enables the Firm to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by the Custodians may be higher or lower than those charged by other Financial Institutions.

The commissions paid by Steel Peak's clients to the Custodians comply with the Firm'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.

Consistent with obtaining best execution, brokerage transactions are 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 will be used to service all of the Firm'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.

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.

#### **Software and Support Provided by Financial Institutions**

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Steel Peak receives without cost from the Custodians, administrative support, computer software, related systems support, as well as other third party support as further described below (together "Support") which allow Steel Peak to better monitor client accounts maintained at the Custodians and otherwise conduct its business. Steel Peak receives the Support without cost because the Firm renders investment management services to clients that maintain assets at the Custodians. The Support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The Support benefits Steel Peak, but not its clients directly. Clients should be aware that Steel Peak's receipt of economic benefits such as the Support from a broker-dealer creates a conflict of interest since these benefits may influence the Firm's choice of broker-dealer over another that does not furnish similar software, systems support or services. In fulfilling its duties to its clients, Steel Peak endeavors at all times to put the interests of its clients first and has determined that the recommendation of the Custodians is in the best interest of clients and satisfies the Firm's duty to seek best execution.



Specifically, Steel Peak receives the following benefits from the Custodians: i) receipt of duplicate client confirmations and bundled duplicate statements; ii) access to a trading desk that exclusively services its institutional traders; iii) access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and iv) access to an electronic communication network for client order entry and account information.

In addition, the Firm receives funds to be used toward qualifying third-party service providers for research, marketing, compliance, technology and software platforms and services. The receipt of these funds can influence the Firm's decision to recommend a particular custodian.

Schwab Disclosure: Schwab's services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain amount of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. Schwab's services include brokerage services that are related to the execution of securities transactions, custody, research, including that in the form of advice, analyses and reports, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For client 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 also makes available to the Firm other products and services that benefit the Firm but may not benefit its clients' accounts. These benefits may include national, regional or Firm specific educational events organized and/or sponsored by Schwab. Other potential benefits may include occasional business entertainment of personnel of Steel Peak by Schwab personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Other of these products and services assist Steel Peak in managing and administering clients' accounts. These include software and other technology (and related technological training) that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of the Firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of the Firm's accounts, including accounts not maintained at Schwab. Schwab also makes available to Steel Peak other services intended to help the Firm manage and further develop its business enterprise. These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to the Firm by independent third parties. Schwab may discount or waive fees it would otherwise charge for some of these services or pay all or a

part of the fees of a third-party providing these services to the Firm. While, as a fiduciary, Steel Peak endeavors to act in its clients' best interests, the Firm's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefits received and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which creates a potential conflict of interest.

**TD Ameritrade Disclosure:** There is no direct link between Steel Peak's participation in TD Ameritrade's institutional customer 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. The Firm also has the ability deduct advisory fees directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. TD Ameritrade may fund business consulting and professional services received by Steel Peak's related persons.

Some of the products and services made available by TD Ameritrade through the program may benefit Steel Peak but not its client. 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.

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**Brokerage for Client Referrals**

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Steel Peak does consider, in selecting or recommending broker-dealers, whether the Firm receives client referrals from the Financial Institutions or other third party. Please see additional disclosure about broker-dealer referral programs in Item 14.

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**Directed Brokerage**

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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 the Firm 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 above). As a result, the

client may pay higher commissions or other transaction costs, greater spreads or may 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 the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

### **Trade Aggregation**

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Transactions for each client 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 the Firm'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 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 the Firm determines to aggregate client orders for the purchase or sale of securities, including securities in which Steel Peak's Supervised Persons may invest, the Firm 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 the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which 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, the Firm 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.

## Item 13. Review of Accounts

### Account Reviews

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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.

### Account Statements and Reports

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Clients are provided with transaction confirmation notices and regular summary account statements directly from the Financial Institutions where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Steel Peak and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with any documents or reports they receive from Steel Peak or an outside service provider.

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 the event a client is introduced to Steel Peak by either an unaffiliated or an affiliated solicitor, the Firm may pay that solicitor a referral fee in accordance with applicable state securities laws. Unless otherwise disclosed, any such referral fee is paid solely from Steel Peak’s investment management fee and does not result in any additional charge to the client. If the client is introduced to the Firm by an unaffiliated solicitor, the solicitor is required to provide the client with Steel Peak’s written brochure(s) and a copy of a solicitor’s disclosure statement containing the terms and conditions of the solicitation arrangement. Any affiliated solicitor of Steel Peak is required to disclose the nature of his or her relationship to prospective clients at

the time of the solicitation and will provide all prospective clients with a copy of the Firm's written brochure(s) at the time of the solicitation.

Steel Peak receives client referrals from Schwab through its participation in Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Steel Peak. Schwab does not supervise Steel Peak and has no responsibility for Steel Peak's management of clients' portfolios or Steel Peak's other advice or services. Steel Peak pays Schwab fees to receive client referrals through the Service. Steel Peak participation in the Service raises conflicts of interest described below.

Steel Peak pays Schwab a participation fee on all referred clients' accounts that are maintained in custody at Schwab (the "Participation Fee") and a non-Schwab custody fee on all accounts that are maintained at, or transferred to, another custodian (the "Non-Schwab Custody Fee"). The Participation Fee paid by Steel Peak is a percentage of the fees the client owes to Steel Peak or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Steel Peak pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Steel Peak quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Steel Peak and not by the client. Steel Peak has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Steel Peak charges clients with similar portfolios who were not referred through the Service.

Steel Peak generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The non-Schwab custody fee is higher than the Participation Fees Steel Peak generally would pay in a single year. Thus, Steel Peak will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Steel Peak's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Steel Peak will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Steel Peak's fees directly from the accounts.

For accounts of Steel Peak's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Steel Peak's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed

at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Steel Peak has an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Steel Peak nevertheless acknowledges its duty to seek best execution of trades for client accounts.

Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Steel Peak's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

## **Item 15. Custody**

Steel Peak is deemed to have custody of client funds and securities because the Firm is given the ability to debit client accounts for payment of the Firm's fees. As such, client funds and securities are maintained at one or more Financial Institutions that serve as the qualified custodian with respect to such assets. Such qualified custodians will send account statements to clients at least once per calendar quarter that typically detail any transactions in such account for the relevant period.

In addition, as discussed in Item 13, Steel Peak will also send, or otherwise make available, 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 is 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 and/or direct transactions in client accounts without first seeking their 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;
- When transactions are made; and
- The Independent Managers to be hired or fired.

**Item 17. Voting Client Securities**

Steel Peak does not accept the authority to vote a client's securities (i.e., proxies) on their behalf. This is regardless of whether the client has designated the Firm to receive proxies from the Financial Institutions. Clients may contact the Firm at the contact information on the cover of this brochure with questions about any such issuer solicitations.

**Item 18. Financial Information**

Steel Peak is not required to disclose any financial information 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 of services rendered;
- 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.