

SEC Form ADV Part 2A “*Brochure*”

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This brochure provides information about the qualifications and business practices of Schnieders Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 626-584-6168 or by email at sue@schniederscapital.com. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or any state securities authority. Schnieders Capital Management, LLC is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Schnieders Capital Management, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for our firm is 120952.

Item 2. Summary of Material Changes

Since our last annual amendment, dated February 28, 2020, Schnieders Capital Management, LLC registered to provide state notice filings in Nevada; we also terminated our state notice filing in New York. Also since our last annual amendment, the Firm principals changed their ownership percentages, with William Schnieders selling a portion of his interest in Schnieders Capital Management, LLC to Jim Schnieders and John Schnieders. There may be other non-material changes made to this Brochure and as such, we urge you to read this Brochure in its entirety.

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Item 4. Advisory Business

Introduction

Schnieders Capital Management, LLC (“SCM”, “we”, “our”, or the “Firm”) provides discretionary and non-discretionary portfolio management and financial planning services whereby we select and manage stocks, bonds, mutual funds, exchange traded funds and other investments for individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, and corporations or other business entities.

SCM is a California domiciled limited liability company. We have been in business continuously since registering as an investment adviser in 2002. James (Jim) Schnieders, William Schnieders, and John Schnieders serve as Principals of SCM with William Schnieders also retaining an ownership interest.

PORTFOLIO MANAGEMENT SERVICES

SCM provides portfolio management services, defined as giving continuous investment advice to a client or making investments for a client based on the individual needs of the client, to individuals, small businesses, and businesses.

Through personal discussions and/or meetings SCM determines clients’ needs. SCM will manage advisory accounts on a discretionary and non-discretionary basis, according to the client’s needs and objectives. Account supervision is guided by the stated objectives of the client (i.e., capital appreciation, growth, income, or growth and income), as communicated to SCM by the client from time to time. SCM may also provide financial planning services as part of the overall portfolio management services provided to clients. SCM does not charge an additional fee for financial planning services provided to clients.

SCM will create a portfolio for client assets including, but not limited to some or all of the following: individual equities, no-load, load-waived, front-load mutual funds, exchange traded funds (ETFs), municipal and corporate bonds, Treasury obligations, and other yield-oriented investments, such as preferred stocks, both straight and convertible, Master Limited Partnerships and real estate investment trusts (REITs). Portfolio weighting of specific investments will be determined by each client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments that will be made on the client's behalf. Clients will retain individual ownership of all securities.

While SCM's strategy is primarily long-term in nature, SCM may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. These investment strategies involve certain additional degrees of risk. Please see below the risk of loss section for a discussion on risks.

SCM’s discretionary and non-discretionary assets under management increased in 2020. We also had an increase in the total number of discretionary accounts that we managed. As of December 31, 2020, we had approximately \$1,025,000,000 in assets under management, of which \$463,900,000 was managed on a discretionary basis, and \$561,600,000 was managed on a non-discretionary basis.

Item 5. Fees and Compensation

FEES FOR PORTFOLIO MANAGEMENT SERVICES

Our annual fee for Portfolio Management Services is charged based on a percentage of each client's total assets under management. Our standard fee schedule is generally as follows:

Assets under Management	Annual Fee (%)
Up to \$500,000	1.50%
\$500,001-\$1,000,000	1.25%
\$1,000,001- \$2,000,000	1.00%
\$2,000,001- \$4,000,000	0.75%
\$4,000,001-\$10,000,000	0.50%
Above \$10,000,000	0.25%

Discretionary and non-discretionary accounts may initially be charged based on the above fee structure. However, the annual fee imposed may later be increased or decreased upon notice to the client based on a number of factors including, but not limited to, type of assets held, time allotted to each client, the depth and frequency of client discussions, meetings, past relationships, and service requirements for each client. In certain circumstances, all fees, services, and account minimums may be negotiable. As a result, SCM may charge management fees to certain advisory clients that are higher or lower than those paid by other advisory clients.

Generally, clients are invoiced quarterly, in advance, at the beginning of each calendar quarter based upon the net asset value of the client's account as of the last day of the previous quarter. Clients may elect to have fees debited from their account. Direct debiting of fees requires client written authorization in the Client Services Agreement. SCM does not charge portfolio management clients for financial planning we perform for them.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of an account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable, minus any free days given to the client during the terms of relationship.

Other Fees and Expenses

The fees described above and paid to SCM for investment advisory services are separate and distinct from any management/performance fees and expenses charged to shareholders by mutual funds, ETF's, and REITs ("fund"), for which clients are solely responsible. These fees and expenses are more fully described in each fund's prospectus or offering documents. Accordingly, we urge our clients to review both the fees charged by the funds and the fees charged by SCM to fully understand the total amount of fees for which the client is responsible.

Apart from the fees and charges described above, clients are also responsible for the fees and expenses charged by custodians and imposed by broker-dealers, including, but not limited to, any commissions, custody fees, transaction charges or mark-up/mark-downs imposed by a broker-dealer engaged to effect transactions for a client's account(s), account termination fees,

wire transfer fees, etc. as well as taxes on any income earned.

Neither SCM or its supervised persons receive compensation for the sale of securities or other investment products.

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

Not applicable.

Item 7. Types of Clients

SCM offers and provides portfolio management services to individuals, including high net worth individuals, pension and profit-sharing plans, charitable organizations and corporations seeking SCM's personalized investment advisory services. Our Firm provides portfolio management services on a discretionary and non-discretionary basis.

SCM normally requires a client to have a minimum account of \$250,000 for Portfolio Management Services. This account size may be negotiable under certain circumstances, in SCM's sole discretion.

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

Methods of Analysis

Our methods of analysis, may include the following:

Fundamental analysis. Fundamental analysis involves the selection, evaluation, and interpretation of financial data and other pertinent information to assist in evaluating the operating performance and financial condition of a company or an industry. The operating performance of a company is a measure of how well a company has used its resources – its assets, both tangible and intangible – to produce a return on its investment. The financial condition of a company is a measure of its ability to satisfy its obligations, such as the payment of interest in a timely manner.

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the security.

Technical Analysis: Technical analysis is the discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Risk of technical analysis is that previous market movements may not be an accurate indicator of future movements.

Qualitative analysis: As a part of our fundamental analysis, we subjectively evaluate non-quantifiable factors such as quality of management, labor relations, and strength of research and development factors not readily subject to measurement and predict changes to share price based on that data. The risk involved in using qualitative analysis is that our subjective judgment may prove incorrect.

Quantitative analysis: We may use mathematical models in an attempt to obtain more accurate measurements of a company's quantifiable data, such as the value of share price or earnings per share and predict changes to that data. A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

Asset Allocation: The purpose of the asset allocation is to diversify funds into varying asset classes (stocks, bonds, and liquid reserves) according to the client's risk profile and to hedge against uncertainty. Implicit in this approach is that the total portfolio is more important than the underlying securities.

A risk of asset allocation is that the client may not participate in increases or decreases in a particular security, industry, or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements.

Risks for all forms of analysis: The markets are subject to the risks of the unforeseen, including political events, terrorist attacks, fraud, bubbles, and panics—more generally, the uncertainty produced by the fact that the future is unknown. In addition, markets are unforgiving and can be perverse and irrational over the short or longer period. Absolute loss can also occur when a client sells out of fear when the market experiences a significant downward movement, waiting to reinvest only when the market recovers. When experiencing market volatility, a client might not have the emotional strength or discipline to ride through the inherent volatility of the market.

Our securities analysis methods for the securities we recommend, purchase, and sell, are assisted by, but do not rely entirely upon the assumption that the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. Factored into our decision-making process is the risk of fraud or that the reporting data may be incorrect, and thus there is a risk that our analysis may be compromised by inaccurate or misleading information.

Investment Strategies

SCM may recommend to advisory client's investments in private placement offerings and/or limited investment partnerships, such as hedge funds and other pooled investment partnerships. In the event that this type of recommendation is made, please see the relevant private placement offerings and/or limited investment partnership agreements for a more detailed description of the risks associated with these investments.

We may also use the following strategies in managing client portfolios:

Long-term purchases: We purchase securities with the idea of holding them in a client's portfolio for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this asset class or security. A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantage of short-term volatility that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: We occasionally may purchase securities with the idea of selling them within a relatively short time (typically a year or less). A risk in a short-term purchase strategy is that, should the anticipated price increase not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

Option writing: As a matter of policy and practice, we do not use options or option strategies, unless directed to do so by our clients.

Risk Factors:

Investments in securities are not guaranteed, and clients may lose money on their investments. We make reasonable efforts and inquiries to help us understand a client's tolerance for risk and any changes in their financial objectives and circumstances. We also request that clients notify us of any change in circumstances promptly.

- Force Majeure Risk: This is the risk that there may be an act of God, terrorist act, global health pandemic, failure of utilities or other similar circumstance not within the reasonable control of SCM that may have an unknown and potentially catastrophic effect on the global markets. SCM has a business continuity plan to mitigate the effects of a force majeure risk, however, these events may still affect SCM, our clients, and the financial markets.
- Market Risk: The price of any security, including exchange-traded funds ("ETFs"), equities, bonds or mutual funds may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- Liquidity Risk: Liquidity is the ability to readily convert an investment, including ETFs, into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e., interest rate). This primarily relates to bonds.
- Call Risk: Bonds that are callable carry an additional risk because they may be called prior to maturity depending on current interest rates thereby increasing the likelihood that reinvestment risk may be realized.
- Credit Risk: The price of a bond depends on the issuer's credit rating, or perceived ability to pay its debt obligations. Consequently, increases in an issuer's credit risk, may negatively impact the value of a bond investment.
- Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

- **Geopolitical Risk:** The world's natural resources are located in various continents and the jurisdiction over those commodities lies with sovereign governments, international companies, and many other entities. Disagreements over licensing agreements, tax structures, environmental concerns, employment of indigenous workers, and access to technology could negatively impact the price of commodities. Additionally, international disagreements over the control of natural resources could negatively impact the price of commodities.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Foreign Market Risk:** The securities markets of many foreign countries, including emerging countries, have substantially less trading volume than the securities markets of the United States, and securities of some foreign companies are less liquid and more volatile than securities of comparable United States companies. As a result, foreign securities markets may be subject to greater influence by adverse events generally affecting the market, by large investors' trading significant blocks of securities, or by large dispositions of securities, than as it is in the United States.

Item 9. Disciplinary Information

Our Firm, its Principals and associated persons have no disciplinary, legal, or regulatory events that are required to be disclosed under this item.

Item 10. Other Financial Industry Activities and Affiliations

Neither SCM nor its principal owners are registered or have applications pending to register as a broker-dealer or registered representative of a broker-dealer; as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. SCM does have a referral arrangement with a local CPA firm. This referral arrangement is disclosed and pre-approved by the clients that are involved. Clients do not pay higher management fees due to being referred from a solicitor.

Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading

SCM has adopted a Code of Ethics consistent with the requirements of the Investment Advisers Act of 1940 (the "Advisers Act"). Our Firm's Code of Ethics provides for a high ethical standard of conduct for all SCM's management, associated persons and employees, compliance with federal securities laws, and policies and procedures for the reporting of certain personal securities transactions and security holdings by SCM's management, associated persons, and employees.

SCM's Code of Ethics also requires the prior approval of personal trading in an Initial Public Offering (IPO) and private placement investments, as well as supervisory reviews, enforcement, and recordkeeping. SCM's Code of Ethics also includes the Firm's Insider Trading Policy, which prohibits the misuse of material non-public information.

A copy of SCM's Code of Ethics is available to SCM's advisory clients upon written request to

the Chief Compliance Officer at SCM's principal address.

SCM and individuals associated with our Firm may buy or sell securities identical to or different than those recommended to clients. In addition, any associated person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client. This presents a conflict of interest, to the extent, that an employee of our Firm may purchase a security for him/herself prior to that transaction being implemented in a client's account, thus, receiving a more favorable price, commission, or allocation.

In 2019, SCM started a Cash Balance Plan for our employees to purchase mutual funds and securities. Transactions in this account are limited to the restrictions outlined in the Code of Ethics for all transactions that are not automatic regular accounts that the employee has no control over.

It is the expressed policy of SCM that no person employed by SCM may purchase or sell any security from within 12 hours before or after a transaction(s) being implemented for an advisory account, unless such trade is placed as part of an aggregated transaction (see SCM's trade aggregation policy and procedures), thereby preventing such employees from benefiting from transactions placed on behalf of advisory accounts. SCM may make an exception to this rule if an employee places a trade directly in their account with a different price as long as the benefit goes to the client.

Item 12. Brokerage Practices

Selection of Broker-Dealers

For clients in need of brokerage or custodial services, and depending on client circumstances and needs, SCM may recommend the use of one of several broker-dealers including, but not limited to Pershing, provided that such recommendation is consistent with SCM's fiduciary duty to the client.

SCM endeavors to recommend those brokers or dealers that provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services that will help our Firm in providing investment management services to clients. In addition, SCM considers the broker's ability to provide professional services, SCM's experience with the broker, the broker's reputation and the broker's quality of execution services and costs of such services, among other factors. Clients are urged to evaluate these brokers before opening an account. Clients are not under any obligation to affect trades through any recommended broker.

Research and Soft Dollar Practices

Our Firm may recommend or use a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients.

As a matter of Firm policy and practice, other than the Pershing relationship summarized below,

SCM does not have any formal or informal arrangements to obtain any research or research-related services on a soft dollar basis.

SCM's arrangement with Pershing permits it to obtain research services and is designed to augment SCM's own internal research and investment strategy capabilities. The research services received by SCM from Pershing depend on the amount of transactions directed by SCM's clients to Pershing. These benefits will be received without prior agreement by the client. Thus, SCM's receipt of research from Pershing may create an incentive to recommend Pershing to clients based on SCM's interest in receiving such research.

Research services obtained through SCM's arrangement with Pershing generally include statistical research and/or pricing/quotation services, including on-line services. SCM does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients in a particular manner, believing that the research SCM receives may help SCM to fulfill its overall duty to all of its clients. SCM may not use each particular research service, however, to service each of its clients. As a result, a client may pay brokerage commissions that generate research services not used to benefit the specific client that generated such soft dollar benefit. SCM's receipt of the above services creates a potential conflict of interest and incentive for SCM to continue to recommend Pershing to its clients. As a fiduciary, SCM is required to place the interests of its clients before its own. Also as set forth below, SCM clients are not required to use the services of Pershing.

In the event that SCM were to receive any products or services from Pershing that are not entirely research oriented, SCM makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portion of the costs attributable to non-research usage of such products or services is paid by SCM to Pershing.

Brokerage for Client Referrals

SCM does not receive client referrals from any of the broker-dealers or custodians SCM recommends to clients.

Directed Brokerage

In the event that a client directs SCM to use a particular broker or dealer other than Pershing, it should be understood that under those circumstances SCM will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.

Aggregation of Transactions

SCM may block trades where possible and when advantageous to clients. The blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts so long as transaction costs are shared on a pro-rated basis between all accounts included in any such block. Block trading allows SCM to execute equity trades in a timelier, equitable and efficient manner.

SCM will not block trades for client accounts who direct the use of a broker other than Pershing

or Charles Schwab, and therefore a disparity in commission charges may exist between the commissions charged to other clients.

Trades for affiliated accounts may be included in SCM client block trades. Please refer to the disclosure below for a description of SCM's aggregation procedures.

Allocation of Investment Opportunities

As a matter of Firm policy, SCM seeks to allocate investment opportunities and transactions on a fair and equitable basis for all clients over time and to not favor certain clients over others. In the unlikely event that limited investment opportunities or transactions would need to be allocated among advisory clients, SCM would allocate the investments or transactions fairly and equitably and on a pro-rata basis.

Item 13. Review of Accounts

Portfolio Reviews

While the underlying securities within SCM client portfolios are continuously monitored, these portfolios are reviewed at least quarterly by William Schnieders, James Schnieders or John Schnieders, Principals of SCM. Accounts are reviewed in the context of each client's stated investment goals, objectives, and guidelines. Reviews may also be triggered by material changes in other variables such as the client's individual circumstances, the market, political or economic environment or upon a client's request.

Reports to Clients

In addition to the at least quarterly statements and confirmations of transactions that SCM clients receive from their broker-dealer or bank as qualified custodians, SCM may provide detailed account summaries on an annual basis when the Principals of the Firm meet with their clients individually, whether in person or via telephone.

Item 14. Client Referrals and Other Compensation

SCM may from time to time, either directly or indirectly, compensate third parties (defined as a natural person or a company) for client referrals. For SCM referral arrangements, the Firm typically pays a percentage of the annual advisory fees earned for any clients referred to SCM to those persons referring clients to the Firm. A client's advisory fees are not increased in any manner as a result of the referral arrangements. Referral fees are paid entirely by SCM.

SCM is aware of the special considerations under Rule 206(4)-3 under the Investment Advisers Act. Accordingly, SCM will provide appropriate disclosures to the client prior to entering into a referral arrangement and maintain records consistent with applicable regulatory requirements.

Item 15. Custody

SCM is deemed to have "constructive custody" under regulatory guidelines as a result of our Firm's authority to directly debit client advisory fees from their custodian accounts consistent with industry practices and regulatory guidelines. All client funds and assets are maintained

with a qualified custodian that will send statements to clients on a periodic basis.

In order to ensure that all account transactions, holdings, and values are correct and current, we urge clients to compare the statements they receive from SCM with the statements they receive directly from their independent brokerage or bank qualified custodian.

Item 16. Investment Discretion

Currently, SCM manages client relationships on a non-discretionary and discretionary basis. For discretionary client relationships, clients provide us with written authority to determine the securities and the amounts of securities without obtaining specific client consent before entering into each transaction. Any client limitations in this discretionary authority are to be provided in writing and any change or amendments in any client limitations are also to be provided in writing.

For discretionary clients whose assets will be held in custody at Pershing LLC ("Pershing"), a subsidiary of The Bank of New York and a member of BNY Securities Group, and a FINRA registered broker-dealer firm, SCM requests that it be provided with written authority to negotiate the commission costs that will be charged to our clients for these transactions.

Item 17. Voting Client Securities

As a matter of Firm policy and practice, SCM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

In the event any client requests SCM's assistance on any proxy voting issue, we may provide assistance or background information about the company or issue, but the client always retains the responsibility for voting any proxies. Further, we may also assist clients with appropriate research or information to assist client with any filings for legal proceedings, e.g., class actions, reorganizations, bankruptcies, etc., relating to any portfolio securities.

To request a copy of our proxy voting policy and procedures, please contact the Firm using the contact information on the cover page of this brochure.

Item 18. Financial Information

As a matter of Firm policy and practice, our Firm will not charge or earn advisory fees in excess of \$1,200 six months or more in advance of providing services.