



STEFFES FINANCIAL, LTD.

**Solutions for a Complex World**

## Form ADV, Part 2A

### Client Brochure

The attached Securities and Exchange Commission (SEC) Form ADV, Part 2A, gives information about Steffes Financial, Ltd., and its business.

Version Date: 08-15-2023

*This brochure provides information about the qualifications and business practices of Steffes Financial, Ltd.. If you have any questions about the contents of this brochure, please contact us at (913) 722-1111 or by email at: [Gerald@SteffesFinancial.com](mailto:Gerald@SteffesFinancial.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Steffes Financial, Ltd. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Steffes Financial, Ltd.'s CRD number is: 134530*

*Registration does not imply a certain level of skill or training.*

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## Item 2: Material Changes

There are no material changes in this brochure from Steffes Financial, Ltd.'s last annual update filing on February 5, 2022. Material changes relate to Steffes Financial, Ltd.'s policies, practices or conflicts of interests only.

In the past our firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current Disclosure Brochure. We will provide other ongoing disclosure information about material changes as necessary.

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

This firm has been in business since August 1997 and the principal owner is Gerald C. Steffes.

### B. Types of Advisory Services

Steffes Financial, Ltd. (hereinafter "Steffes Financial") offers the following services to advisory clients:

#### ***Discretionary Investment Advisory Account Management***

Steffes Financial offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Steffes Financial creates an Investment Policy Statement for each client, which outlines the client's current situation (investment objectives and risk tolerance levels) and then outlines an investment strategy (the Investment Policy Statement). Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

Steffes Financial evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Steffes Financial will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Individual Qualified Retirement Account and Tax-Deferred Annuity Investment Consulting***

Steffes Financial provides Retirement Account and Tax-Deferred Annuity Investment Analysis and Asset Allocation Recommendation services to individual qualified retirement account participants and Tax-Deferred Annuity owners on an individual per engagement basis. Steffes Financial provides recommendations and advice to individual plan participants regarding the investment choices within the participant's qualified retirement plan. Steffes Financial does not undertake any obligation for the implementation of the client's retirement account asset allocation changes. Implementation of any asset allocation recommendations is entirely at the discretion of the client. The client is under no obligation to make any product purchases through Steffes Financial.

## ***Financial Planning***

Steffes Financial provides financial planning and/or consulting services to individuals and institutions that are consistent with the clients' financial and tax status, in addition to their risk profile and return objectives. Steffes Financial will also provide general non-securities advice on topics that including tax and budgetary, estate and business planning.

Financial plans and financial planning can include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt planning. These services are based on hourly fees and the final fee structure is documented in the Financial Planning Agreement.

## ***Qualified Retirement Plan Services***

Steffes Financial offers qualified retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

### Fiduciary Consulting Services

Steffes Financial provides the following Fiduciary Retirement Plan Consulting Services:

- Investment Policy Statement Preparation. Steffes Financial will help you develop an investment policy statement. The investment policy statement establishes the investment policies and objectives for the Plan. You will have the ultimate responsibility and authority to establish such policies and objectives and to adopt and amend the investment policy statement.
- Investment Selection Services. Steffes Financial will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Due Diligence Review. Steffes Financial will provide you with periodic due diligence reviews of the Plan's reports, investment options and recommendations.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and Steffes Financial does not serve as administrator or trustee of the plan. Steffes Financial does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

Steffes Financial acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a “fiduciary” as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 (“ERISA”) for purposes of providing non-discretionary investment advice only. Steffes Financial will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause Steffes Financial to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, Steffes Financial (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client’s retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client’s retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client’s retirement plan or the interpretation of Client’s retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of Client’s retirement plan as defined in ERISA.

If Client has elected to receive only Fiduciary Consulting Services and no Fiduciary Management Services as described under Fiduciary Management Services below, then Steffes Financial and you will acknowledge and agree that we (a) have no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of your retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of your retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of your retirement plan or the interpretation of your retirement plan documents, (b) is not an “investment manager” as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the “Administrator” of your retirement plan as defined in ERISA.

Our clients represent that employment of Steffes Financial, and any instructions that have been given to us with regard to the qualified retirement plan are consistent with applicable plan and trust documents. Our clients will agree to furnish Steffes Financial with copies of such governing documents, upon request.

#### Fiduciary Management Services

If a client uses our Fiduciary Consulting Service, Steffes Financial offers the client our Fiduciary Management Services, which is discretionary investment selection. Steffes Financial will monitor the investment options of the Plan and add or remove investment options for the Plan. Steffes Financial will have discretionary authority to make all decisions regarding the investment options that will be made available to Plan participants.

If you elect to utilize any of Steffes Financials’ Fiduciary Management Services, then Steffes Financial will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and Steffes Financial hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### Non-Fiduciary Services



Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term “fiduciary” is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

Steffes Financial provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

- Participant Education. Steffes Financial will provide education services to Plan participants about general investment principles and the investment alternatives available under the Plan. Steffes Financial’s assistance in participant investment education will be consistent with and within the scope of DOL Interpretive Bulletin 96-1. Education presentations will not take into account the individual circumstances of each participant and individual recommendations will not be provided unless otherwise agreed upon. Plan participants are responsible for implementing transactions in their own accounts.
- Participant Enrollment. Steffes Financial will assist you with group enrollment meetings designed to increase retirement plan participation among employees and investment and financial understanding by the employees.

Steffes Financial will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learns of such error or omission.

## ***Retirement Plan Rollover Recommendations***

When Steffes Financial, Ltd. provides investment advice about your retirement plan account or individual retirement account (“IRA”) including whether to maintain investments and/or proceeds in the retirement plan account, roll over such investment/proceeds from the retirement plan account to a IRA or make a distribution from the retirement plan account, we acknowledge that Steffes Financial, Ltd. is a “**fiduciary**” within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”) as applicable, which are laws governing retirement accounts. The way Steffes Financial, Ltd. makes money creates conflicts with your interests so Steffes Financial, Ltd. operates under a special rule that requires Steffes Financial, Ltd. to act in your best interest and not put our interest ahead of you.

Under this special rule’s provisions, Steffes Financial, Ltd. must as a fiduciary to a retirement plan account or IRA under ERISA/IRC:

- Meet a professional standard of care when making investment recommendations (e.g., give prudent advice);
- Never put the financial interests of Steffes Financial, Ltd. ahead of you when making recommendations (e.g., give loyal advice);
- Avoid misleading statements about conflicts of interest, fees, and investments;
- Follow policies and procedures designed to ensure that Steffes Financial, Ltd. gives advice that is in your best interest;
- Charge no more than is reasonable for the services of Steffes Financial, Ltd.; and
- Give Client basic information about conflicts of interest.

To the extent we recommend you roll over your account from a current retirement plan account to an individual retirement account managed by Steffes Financial, Ltd., please know that Steffes Financial, Ltd. and our investment adviser representatives have a conflict of interest.

We can earn increased investment advisory fees by recommending that you roll over your account at the retirement plan to an IRA managed by Steffes Financial, Ltd. We will earn fewer investment advisory fees if you do not roll over the funds in the retirement plan to an IRA managed by Steffes Financial, Ltd.

Thus, our investment adviser representatives have an economic incentive to recommend a rollover of funds from a retirement plan to an IRA which is a conflict of interest because our

recommendation that you open an IRA account to be managed by our firm can be based on our economic incentive and not based exclusively on whether or not moving the IRA to our management program is in your overall best interest.

We have taken steps to manage this conflict of interest. We have adopted an impartial conduct standard whereby our investment adviser representatives will (i) provide investment advice to a retirement plan participant regarding a rollover of funds from the retirement plan in accordance with the fiduciary status described below, (ii) not recommend investments which result in Steffes Financial, Ltd. receiving unreasonable compensation related to the rollover of funds from the retirement plan to an IRA, and (iii) fully disclose compensation received by Steffes Financial, Ltd. and our supervised persons and any material conflicts of interest related to recommending the rollover of funds from the retirement plan to an IRA and refrain from making any materially misleading statements regarding such rollover.

When providing advice to you regarding a retirement plan account or IRA, our investment advisor representatives will act with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, based on the investment objectives, risk, tolerance, financial circumstances, and a client's needs, without regard to the financial or other interests of Steffes Financial, Ltd. or our affiliated personnel.

### ***Services Limited to Specific Types of Investments***

Steffes Financial generally limits its investment advice and/or money management to mutual funds, exchange traded funds, equities, bonds, fixed income, and debt securities. Steffes Financial has the potential to also use other securities to help diversify a portfolio.

## **C. Client Tailored Services and Client Imposed Restrictions**

Steffes Financial offers the same suite of services to all clients. However, specific client financial strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (investment objectives and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients are allowed to impose written restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent Steffes Financial from properly servicing the client account, or if the restrictions would require Steffes Financial to deviate from its standard suite of services, Steffes Financial reserves the right to end the relationship.

## D. Wrap Fee Programs

Steffes Financial does not participate in any wrap fee programs.

## E. Amounts Under Management

Steffes Financial has the following assets under management (rounded to the nearest \$1,000):

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$ 246,839,876	\$ 182,351,068	12/31/2022

# Item 5: Fees and Compensation

## A. Fee Schedule

### ***Discretionary Investment Advisory Account Management Fees and Qualified Retirement Account Investment Consulting Fees***

<u>Annual Percentage</u>	<u>Portfolio Value</u>
1.00% on the first \$1,000,000	\$0 - \$1,000,000
0.60% on the next \$1,000,000	\$1,000,000 - \$2,000,000
0.50% on the next \$1,000,000	\$2,000,000 - \$3,00,000
0.40% on all additional assets	Above \$3,000,000

Steffes Financial generally adheres to the fee schedule above, has a minimum household portfolio size of \$500,000, and a minimum annual fee of \$5,000. Fees are based on each client's unique situation and complexity and at the sole discretion of Steffes Financial, fees could be higher or lower than the above fee schedule. Steffes Financial is allowed to accept portfolios less than \$500,000. The above fee is negotiable based on each Client's specific situation.

Fees are paid quarterly in arrears. Fees are due on the first business day following the quarter-end and are based on the account's asset value as of the last business day of the quarter regardless of the cash flows and transfers during the quarter being billed. Clients can terminate their contract with thirty days written notice. Fees that are drafted from a client's investment account are reported on the client's brokerage account statement.

Steffes Financial believes that its annual fees and minimum fees are reasonable in relation to: (1) services provided under this Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Steffes Financial's annual and minimum fees may be higher or lower than

that charged by other investment advisers offering similar services/programs. In addition to Steffes Financial's compensation, Client will also incur charges imposed at the mutual fund and exchange traded fund level (e.g., advisory fees and other fund expenses) and charges imposed by the Account custodian.

Clients will have a period of five (5) business days from the date of signing an investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party can terminate the investment advisory agreement with 30 days written notice. Upon termination, fees will be prorated to the effective date of termination based on number of days in the calendar quarter. The pro-rata fee due will be deducted from the client's account or Steffes Financial will issue an invoice to the client for the pro-rated amount of fees due for services provided through the effective date of termination.

For the provision of consulting services to clients who are individual qualified retirement plan participants, fees will be automatically deducted from an alternate account as designated in the Financial Planning Agreement, or if agreed to in advance, those clients who are individual qualified plan participants can request Steffes Financial to bill the client directly rather than have fees automatically deducted from an alternate account. If fees are billed directly to the client, then such fees for Steffes Financial services shall be due within thirty (30) days after the client's receipt of the billing notice. The exact fee charged and billing arrangements for each client will be agreed upon with the client prior to commencing services. The fee and billing arrangements will be detailed in the client's Financial Planning & Investment Consulting Agreement.

Steffes Financial does not receive any 12(b)(1) fees nor commissions from TD Ameritrade nor Charles Schwab.

The account Custodian will charge fees which are in addition to and separate from the investment advisory service fee. Custodians will charge accounts for various transaction costs, retirement plan and administration fees. In addition, some mutual fund assets deposited in the account will be subject to deferred sales charges and 12b-1 fees and other mutual fund annual expenses as described in the fund's prospectus. Advisory clients should also note that fees for comparable services vary and lower fees for comparable services could be available from other sources.

### ***Qualified Retirement Plan Fees – Fiduciary Consulting Services***

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service could be available from other sources. The exact fees and other terms will be outlined in the agreement between you and Steffes Financial.

Steffes Financial will require a minimum plan asset size of \$500,000 and a minimum annual consulting fee of \$4,000. However, at our sole discretion, fees could be higher or lower and we have the ability to accept plans with assets less than \$500,000. Our fees are negotiable based upon each client's specific situation, including factors such as, but not necessarily limited to, the size of the qualified retirement plan, the number of plan participants, and the specific services contract for.

Our clients that contract us only for Fiduciary Consulting Services, we will require as consideration for the provisions of the Fiduciary Consulting Services, a service fee on a quarterly basis pursuant to the following schedule:

Fee Schedule for Clients Receiving Fiduciary Consulting Services:

<u>Annual Percentage</u>	<u>Plan Value</u>
0.80% on the first \$500,000	\$0 - \$500,000
0.60% on the next \$500,000	\$500,001 - \$1,000,000
0.40% on the next \$1,000,000	\$1,000,001 - \$2,000,000
0.30% on the next \$3,000,000	\$ 2,000,001 - \$5,000,000
0.20% on all additional assets	Above \$5,000,000

***Qualified Retirement Plan Fees – Fiduciary Management Services***

Fiduciary Management Services are only available if you are already using the Fiduciary Consulting Services, and the fee for the Fiduciary Management Services will be an additional annual fee of 0.05% of the plan assets (\$250 minimum in addition to the Fiduciary Consulting Services Fee Schedule listed above).

For retirement plan sponsors and participants, fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the total market value of your account at the close of the quarter.

Steffes Financial believes that its annual fees and minimum fees are reasonable in relation to: (1) services provided under this Agreement; and (2) the fees charged by other investment advisers offering similar services/programs. However, Steffes Financial’s annual and minimum fees may be higher or lower than that charged by other investment advisers offering similar services/programs. In addition to Steffes Financial's compensation, Client will also incur charges imposed at the mutual fund and exchange traded fund level (e.g., advisory fees and other fund expenses) and charges imposed by the Account custodian.

Clients can elect to have the fee deducted from their account or billed directly and due upon receipt of the billing notice. If clients elect to have the fee automatically deducted from an existing account, they are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to Steffes Financial. We will provide the custodian with a fee notification statement.

The qualified custodian will charge fees which are in addition to and separate from the investment advisory service fee. Custodians will charge accounts for various transaction costs,

retirement plan and administration fees. In addition, some mutual fund assets deposited in the account will be subject to deferred sales charges and 12b-1 fees and other mutual fund annual expenses as described in the fund's prospectus. Advisory clients should also note that fees for comparable services vary and lower fees for comparable services could be available from other sources.

Steffes Financial does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

The services will terminate upon thirty (30) days following either party providing the other party with written notice. If services are terminated within five business days of signing the client agreement, services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

### ***Financial Planning Fees***

Depending on the complexity of the situation and the needs of the clients, the hourly rate for financial planning and consulting services is between \$200 and \$300. However, at the sole discretion of Steffes Financial, fees will be higher or lower. Adjustments are based on the complexity of the clients' circumstances and the range and number of services provided. Hourly fees are due and payable upon completion of the plan or services and a deposit is sometimes required.

Financial planning and consulting clients will have a period of five (5) business days from the date of signing an agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client can terminate the agreement by providing Steffes Financial with written notice prior to delivery of the plan or service. Upon termination, fees will be prorated to the date of termination and based on work performed prior to the receipt of the notice of termination. Steffes Financial will issue an invoice to the client for the pro-rated amount of fees due for services provided through the effective date of termination, or if the client has prepaid fees, then any unearned portion of the fee that has been prepaid will be refunded to the client.

When financial planning and/or consulting services are offered or provided to clients, there is a potential conflict of interest since there is an incentive for the party offering financial planning or consulting services to recommend products or services for which Steffes Financial, or a related party, will receive compensation. However, financial planning or consulting clients are under no obligation to act upon any recommendations of Steffes Financial or to effect any transactions through Steffes Financial or related party if they decide to follow the recommendations.

## **B. Payment of Fees**

### ***Payment of Discretionary Investment Advisory Account Management Fees and Qualified Retirement Account Investment Consulting Fees***

Advisory and consulting fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears.

### ***Payment of Financial Planning Fees***

Hourly Financial Planning fees are paid via check in arrears with a deposit in advance. No refund policy is necessary for fees charged in arrears. Fees that are charged in advance will be refunded based on the prorated amount of hourly work completed at the point of termination.

## **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third-party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by Steffes Financial. Please also see *Item 12 – Brokerage Practices*.

## **D. Prepayment of Fees**

Steffes Financial collects fees in arrears. No refund policy is necessary for fees charged in arrears. Fees that are collected in advance (deposits) will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Any pro-rated refund of deposits paid in advance will be returned within thirty days to the client via check.

## **E. Outside Compensation For the Sale of Securities to Clients**

Steffes Financial associates do not receive outside compensation for the sale of securities to Steffes Financial clients. Steffes Financial and associates do not receive 12(b)(1) fees from TD Ameritrade nor Charles Schwab.

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

Steffes Financial does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.



## Item 7: Types of Clients

Steffes Financial provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Corporations or Business Entities

### ***Minimum Account Size***

There is an account minimum of \$500,000 for advisory management clients and \$1,000,000 for qualified plan consulting clients, which could be waived by Steffes Financial, based on the needs of the client and the complexity of the situation. However, Steffes Financial can continue to service existing accounts that have values that are below the minimum.

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

### **A. Methods of Analysis and Investment Strategies**

Steffes Financial's methods of analysis include charting, fundamental, and technical analysis.

Charting - This is a set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

Charting is likely the most subjective analysis of all investment methods since it relies on proper interpretation of chart patterns. The risk of reliance upon chart patterns is that the next day's data can always negate the conclusions reached from prior days' patterns. Also, reliance upon chart patterns bears the risk of a certain pattern being negated by a larger, more encompassing pattern that has not shown itself yet.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security

(underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation could be wrong and could therefore lead to an unfavorable investment decision.

Technical – This is a method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

Technical analysis is even more subjective than fundamental analysis in that it relies on proper interpretation of a given security's price and trading volume data. A decision would be made based on a historical move in a certain direction that was accompanied by heavy volume; however, that heavy volume could only be heavy relative to past volume for the security in question, but not compared to the future trading volume.

Therefore, there is the risk of a trading decision being made incorrectly, since future trading volume is an unknown. Technical analysis is also done through observation of various market sentiment readings, many of which are quantitative. Market sentiment gauges the relative degree of bullishness and bearishness in a given security, and a contrarian investor utilizes such sentiment advantageously. When most traders are bullish, then there are very few traders left in a position to buy the security in question, so it becomes advantageous to sell it ahead of the crowd. When most traders are bearish, then there are very few traders left in a position to sell the security in question, so it becomes advantageous to buy it ahead of the crowd.

The risk in utilization of such sentiment technical measures is that a very bullish reading can always become more bullish, resulting in lost opportunity if the money manager chooses to act upon the bullish signal by selling out of a position. The reverse is also true in that a bearish reading of sentiment can always become more bearish, which would result in a premature purchase of a security.”

Tactical asset allocation. Allows for a range of percentages in each asset class (such as Stocks = 40-50%). The ranges establish minimum and maximum acceptable percentages that permit the investor to take advantage of market conditions within these parameters. Thus, a minor form of market timing is possible, since the investor can move to the higher end of the range when stocks are expected to do better and to the lower end when the economic outlook is bleak.

Strategic asset allocation. Calls for setting target allocations and then periodically rebalancing the portfolio back to those targets as investment returns skew the original asset allocation percentages. The concept is akin to a “buy and hold” strategy, rather than an active trading approach. Of course, the strategic asset allocation targets can change over time as the client’s goals and needs change and as the time horizon for major events such as retirement and college funding grow shorter.”

Dynamic asset allocation. We utilize a Financial Defensive Condition (FIN-DEFCON) Strategy which is a proprietary strategy designed to attempt to identify economic trends that have historically preceded past U.S. economic recessions and changes the target dynamic equity asset allocation as the strategy progresses up or down through five graduated levels of defensive readiness. In our FIN-DEFCON research we analyzed a large number of moving average cross-over day combinations since January 1, 1950, to identify the optimum Buy and Sell signals to have used within our unique proprietary software. While this could have been the optimum moving average cross-over days to use in the past, it is unknown what the optimum days to use will be in the future.

The strategy was developed in 2014 and utilizes a quantitative approach to dynamic asset allocation that evaluates various economic trends including, but not limited to, Treasury bond yields, the Leading Economic Index, the National Activity Index, Consumer Spending, Unemployment trends and price movements of the S&P 500 Index.

A risk associated with this strategy is that the research utilizes back-tested price movements of the S&P 500 Index. Because the Strategy started in 2014, no actual investors participated in the Strategy during the time presented herein and therefore real trades never occurred. By its nature, back-tested analysis has the benefit of relying on hindsight and does not reflect the impact that material economic and market factors would have had on decision-making if actual clients had been invested in the strategy.

## **B. Material Risks Involved**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there are varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market

corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk– Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company’s employees go on strike or the company receives unfavorable media attention for its actions, the value of the company will be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities are subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF’s or mutual fund’s operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Risks of Specific Securities Utilized**

Steffes Financial seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets.

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

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

### **A. Tax Preparation Services**

Steffes Financial advisors offer limited tax preparation services.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Steffes Financial nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

For Discretionary Investment Advisory Account Management, Steffes Financial will have complete discretion over the selection and amount of securities to be bought or sold without obtaining specific client consent.

Gerald C. Steffes and his spouse own 100% of Executive Suites Overland Park, LLC, which operates and owns commercial real estate at 8655 College Blvd, Overland Park, KS 66210. Steffes Financial leases office space from Executive Suites Overland Park, LLC.

## **Item 11: Code of Ethics, Participation in Transactions, Personal Trading**

## **A. Code of Ethics**

Steffes Financial has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients can request a copy of our Code of Ethics from management.

## **B. Recommendations Involving Material Financial Interests**

Steffes Financial does not recommend that clients buy or sell any security in which a related person to Steffes Financial has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of Steffes Financial are allowed to buy or sell securities for themselves that they also recommend to clients. Steffes Financial will always document any transactions that could be construed as conflicts of interest. In all cases, client orders are given priority. Representatives of Steffes Financial seek to ensure that they do not personally benefit from any potential short-term market effects of their recommendations to clients. Representatives of Steffes Financial can also buy or sell a specific security for their own account based on personal investment considerations, which Steffes Financial would not deem appropriate to buy or sell for clients.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, Advisors of Steffes Financial are allowed to buy or sell securities for themselves at or around the same time as clients. Steffes Financial will not trade material non-mutual fund or non-ETF security positions 5 days prior to or 5 days after trading the same security for clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Steffes Financial Associates will recommend and select which custodian to use. These recommendations are based on Steffes Financial's perception of the breadth of services offered, and quality of execution. However, the client can pay commissions or fees that are higher or lower than those that could be obtained from elsewhere for similar services.

Custodians currently reviewed and used are TD Ameritrade and Charles Schwab & Company. Other custodians will be reviewed and considered as deemed necessary.

Steffes Financial will periodically review alternative custodians in the marketplace to ensure the custodians are meeting Steffes Financial's duty to provide best execution for client accounts. The review will include a comparison of other custodians which involve evaluating criteria such as overall expertise, cost competitiveness and financial condition. The quality of execution the custodians will be reviewed through trade journal evaluations or Internet research provided by the custodians. However, best execution does not simply mean the lowest transaction cost. Therefore, no single criteria will validate nor invalidate a custodian, but rather, all criteria taken together will be used in evaluating the currently utilized custodian.

**TD Ameritrade Brokerage Accounts:**

Steffes Financial participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent (and unaffiliated) SEC-registered broker-dealer. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Steffes Financial receives some benefits from TD Ameritrade through its participation in the program.

Through its participation in the TD Ameritrade Institutional program, Steffes Financial can recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between Steffes Financial's participation in the program and the investment advice it gives to its clients, although Steffes Financial receives economic benefits through its participation in the program that are not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Steffes Financial participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted 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 Steffes Financial by third party vendors. TD Ameritrade can also pay for business consulting and professional services received by the related persons of Steffes Financial. Some of the products and services made available by TD Ameritrade through the program could benefit Steffes Financial but not benefit its client accounts. These products or services will assist Steffes Financial in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help Steffes Financial manage and further develop its business enterprise. The benefits received by Steffes Financial or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, Steffes Financial endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by Steffes Financial or its related persons in and of itself creates a potential conflict of interest and indirectly influence Steffes Financial's choice of TD Ameritrade for custody and brokerage services.

### **Charles Schwab and Company Brokerage Accounts:**

Steffes Financial could recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Steffes Financial is independently owned and operated and not affiliated with Schwab. Schwab provides Steffes Financial with access to its institutional trading and custody services, which are not available to Schwab retail investors. These services are available to independent investment advisors on an unsolicited basis, at no charge to them as long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional and is not otherwise contingent upon Steffes Financial committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment.

For Steffes Financial's clients' accounts maintained in its custody, Schwab does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to Steffes Financial other products and services that benefit Steffes Financial's clients' accounts. Some of these other products and services assist Steffes Financial in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and accounts 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 Steffes Financial's fees from its client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services will be used to service all or a substantial number of Steffes Financial's accounts, including accounts not maintained at Schwab Institutional.

Schwab Institutional also makes available to Steffes Financial other services intended to help Steffes Financial manage and further develop its business enterprise. These services could include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab can make available, arrange and/or pay for these types of services rendered to Steffes Financial by independent third parties. Schwab Institutional can 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 Steffes Financial. Steffes Financial endeavors to act in its clients' best interests and the recommendation or requirement that clients maintain their assets in accounts at Schwab will be based in part on the benefit to Steffes Financial of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which will create a potential conflict of interest.

#### ***1. Research and Other Soft-Dollar Benefits***



There is no minimum client number or dollar number that Steffes Financial must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for Steffes Financial to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The primary considerations when recommending broker/dealers to clients is best execution and quality of service.

## **2. Brokerage for Client Referrals**

Steffes Financial receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Clients Directing Which Custodian to Use**

Steffes Financial will not allow clients to direct Steffes Financial to use a specific custodian to execute transactions. Clients must use a Steffes Financial recommended custodian. By requiring clients to use a specific custodian, Steffes Financial could be unable to achieve the most favorable execution of client transaction and this can cost clients' money over using a lower-cost custodian.

## **B. Aggregating (Block) Trading for Multiple Client Accounts**

Steffes Financial maintains the ability to block trade across accounts but will do so in only certain situations at the discretion of the Advisor of Steffes Financial.

We can purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when Steffes Financial believes such action may prove advantageous to clients. When we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

Steffes Financial uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. Steffes Financial will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

When we determine to aggregate client orders for the purchase or sale of securities, including securities in which Steffes Financial or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, SMC Capital,

Inc. Neither we nor our associated persons receive any additional compensation as a result of block trades.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least annually by Gerald C. Steffes, Grant G. Steffes or Christopher T. Stakley. They are the primary advisors and are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Gerald C. Steffes, Grant G. Steffes or Christopher T. Stakley.

### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Non-periodic reviews could be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, personal tax or financial status, termination of employment, physical move, or inheritance).

### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will periodically receive a written report detailing the client's asset allocation and account performance. In addition, brokerage statements are generated no less than quarterly. These statements are sent directly from the account custodian. These statements list the account positions, activity in the account over the covered period and other related information. Clients are also sent trade confirmations following each brokerage account transaction unless confirmations have been waived.

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

### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Please see the disclosures at *Item 12-Brokerage Practices* for a description of certain benefits received by Steffes Financial related to its recommendation of TD Ameritrade to clients for custody and brokerage services and related to its recommendation of Schwab to clients for custody and brokerage services.

## **B. Compensation to Non-Advisory Personnel for Client Referrals**

Steffes Financial has entered into solicitation agreements pursuant to which it compensates third-party intermediaries for client referrals that result in the provision of investment advisory services by Steffes Financial. Steffes Financial will disclose these solicitation arrangements to affected investors and any cash solicitation agreements will comply with Rule 206(4)-1 under the Advisers Act. Solicitors introducing clients to Steffes Financial will receive compensation from Steffes Financial, such as a flat fee per referral and/or a percentage of introduced capital. Such compensation will be paid pursuant to a written agreement with the solicitor and generally may be terminated by either party from time to time. The cost of any such fees will be borne entirely by Steffes Financial and not by any affected client.

## **Item 15: Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Steffes Financial is deemed to have custody of client funds and securities whenever Steffes Financial is given the authority to have fees deducted directly from client accounts. Steffes Financial is also deemed to have custody of client funds and securities when Steffes Financial has standing authority (also known as a standing letter of authorization or "SLOA") to move money from a client's account to a third-party account. However, these are the only forms of custody that Steffes Financial will maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Steffes Financial is deemed to have custody, our firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from Steffes Financial. When clients have questions about their account statements, they should contact Steffes Financial or the qualified custodian preparing the statement.

## **Item 16: Investment Discretion**

When providing asset management services, Steffes Financial maintains trading authorization over your Account and can provide management services on a discretionary basis. When discretionary authority is granted, we will have the authority to determine the type of securities, the number of securities that can be bought or sold and the broker or dealer to be used for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a non-discretionary basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations, and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to Steffes Financial so long as the limitations are specifically set forth or included as an attachment to the client agreement.

## **Item 17: Voting Client Securities (Proxy Voting)**

Steffes Financial will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian and are responsible for voting proxies. Clients should direct all proxy questions to the issuer of the security. The account custodian will be instructed to send proxies to the account holder's primary address.

## **Item 18: Financial Information**

### **A. Balance Sheet**

Steffes Financial does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

**B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither Steffes Financial nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

**C. Bankruptcy Petitions in Previous Ten Years**

Neither Steffes Financial nor its management have been the subject of a bankruptcy petition in the last ten years.



STEFFES FINANCIAL, LTD.  
**Solutions for a Complex World**

## **Form ADV, Part 2B Individual Disclosure Brochure**

*for*

**Gerald C. Steffes**

Investment Adviser Representative

Version Date: 01/01/2023

*This brochure supplement provides information about Gerald C. Steffes that supplements the Steffes Financial, Ltd. brochure. You should have received a copy of that brochure. Please contact Gerald C. Steffes, President if you did not receive Steffes Financial, Ltd.'s brochure or if you have any questions about the contents of this supplement. Additional information about Gerald C. Steffes (CRD#2021161) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

8655 College Boulevard, Suite 101, Overland Park, KS 66210, 913-722-1111

## Item 2: Educational Background and Business Experience

**Name:** Gerald C. Steffes

**Born:** 1961

### **Education Background and Professional Designations:**

#### **Education:**

BS Degree in Accounting, Kansas State University – 1984

#### **Designations:**

##### **CFP® - Certified Financial Planner**

###### CFP® MINIMUM QUALIFICATIONS:

- Bachelor's degree or its equivalent, in any discipline, from an accredited university
- Minimum 15-hour curriculum necessary to prepare for the CFP exam (you are allowed to challenge the educational requirements if you are a licensed attorney or are hold any of the following certifications or degrees: Certified Public Accountant, Chartered Financial Analyst, Chartered Financial Consultant, Chartered Life Underwriter, Doctor of Business Administration or PhD in business or economics).
- Apply for and achieve a passing score on the Certified Financial Planner exam.
- Possess at least 3 years of work experience in the financial planning industry - teaching, assisting, supervising or delivering financial planning services to a client base for a minimum of 3 years prior to certification.
- Pass a background check and candidate fitness standards test. You must reveal any criminal history, pending litigation or ethical violations. The CFP board verifies all employment history, qualifications and disciplinary issues via FINRA's Central Registration Depository.

##### **CPA - Certified Public Accountant**

###### CPA MINIMUM QUALIFICATIONS:

- A bachelor's degree;
- 24 semester units in accounting-related subjects;
- 24 semester units in business-related subjects;
- 150 semester units (or 225 quarter units) of education;
- Passing all four parts the Uniform CPA Exam with a 75% or higher;
- One year of general accounting experience supervised by a CPA with an active license; and
- Passing an ethics course

##### **AIF® - Accredited Investment Fiduciary®**

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual

must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards, and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

**Business Background:**

1997 – Present	President/Owner Steffes Financial, Ltd.
1997 – 2020	Registered Representative Cambridge Investment Research, Inc.

**Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client’s or prospective client’s evaluation of this advisory business.

**Item 4: Other Business Activities**

Gerald C. Steffes and his wife Renee Steffes own 100% of Executive Suites Overland Park, LLC, which owns and operates a commercial office building. Steffes Financial, Ltd. leases office space from Executive Suites Overland Park, LLC.

**Item 5: Additional Compensation**

Other than salary and/or bonuses, Gerald C. Steffes does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Steffes Financial, Ltd.

**Item 6: Supervision**

As the owner and representative of Steffes Financial, Ltd., Gerald C. Steffes supervises all duties and activities of the firm. Gerald C. Steffes’ can be contacted at 913-722-1111 Ext. 1 or Gerald@SteffesFinancial.com.





STEFFES FINANCIAL, LTD.  
**Solutions for a Complex World**

## **Form ADV, Part 2B Individual Disclosure Brochure**

*for*

**Christopher T. Stakley**  
Investment Adviser Representative

Version Date: 01/01/2023

***This brochure supplement provides information about Christopher T. Stakley that supplements the Steffes Financial, Ltd. brochure. You should have received a copy of that brochure. Please contact Gerald C. Steffes, President, if you did not receive Steffes Financial, Ltd.'s brochure or if you have any questions about the contents of this supplement.***

***Additional information about Christopher T. Stakley (CRD#5568433) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).***

8655 College Boulevard, Overland Park, KS 66210, 913-722-1111

## Item 2: Educational Background and Business Experience

**Name:** Christopher T. Stakley

**Born:** 1985

### Education Background and Professional Designations:

#### Education:

- Benedictine College; Masters, Business Administration; 2008
- Benedictine College; Bachelors, Sports Management; 2007

#### Designations:

##### **CFP® - Certified Financial Planner**

###### CFP® MINIMUM QUALIFICATIONS:

- Bachelor's degree or its equivalent, in any discipline, from an accredited university
- Minimum 15-hour curriculum necessary to prepare for the CFP exam (you are allowed to challenge the educational requirements if you are a licensed attorney or are hold any of the following certifications or degrees: Certified Public Accountant, Chartered Financial Analyst, Chartered Financial Consultant, Chartered Life Underwriter, Doctor of Business Administration or PhD in business or economics).
- Apply for and achieve a passing score on the Certified Financial Planner exam.
- Possess at least 3 years of work experience in the financial planning industry - teaching, assisting, supervising or delivering financial planning services to a client base for a minimum of 3 years prior to certification.
- Pass a background check and candidate fitness standards test. You must reveal any criminal history, pending litigation or ethical violations. The CFP board verifies all employment history, qualifications and disciplinary issues via FINRA's Central Registration Depository.

##### **AIF® - Accredited Investment Fiduciary®**

The AIF Designation certifies that the recipient has specialized knowledge of fiduciary standards of care and their application to the investment management process. To receive the AIF Designation, the individual must meet prerequisite criteria based on a combination of education, relevant industry experience, and/or ongoing professional development, complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the Code of Ethics and Conduct Standards. In order to maintain the AIF Designation, the individual must annually attest to the Code of Ethics and Conduct Standards, and accrue and report a minimum of six hours of continuing education. The Designation is administered by the Center for Fiduciary Studies, the standards-setting body of fi360.

## **Business Background:**

- Steffes Financial, Ltd; Investment Advisor Representative; from 08/2014 to Present
- Cambridge Investment Research, Inc; Registered Representative; from 09/2014 to 01/2020
- First National Capital Markets; Registered Representative; from 06/2010 to 08/2014
- PrimeVest Financial Services; Registered Representative; from 05/2010 to 06/2010
- First National Bank; Investment Executive; from 04/2010 to 08/2014
- Charlie Hooper's; Team Member; from 01/2010 to 12/2010
- Unified School District 204; Substitute Teacher; from 10/2009 to 04/2010
- New England Securities; Registered Representative; from 07/2008 to 08/2009

### **Item 3: Disciplinary Information**

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

### **Item 4: Other Business Activities**

There are no other business activities that are material to a client's or prospective client's evaluation of this advisory business.

### **Item 5: Additional Compensation**

Other than salary and/or bonuses, Christopher T. Stakley does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Steffes Financial, Ltd.

### **Item 6: Supervision**

Christopher T. Stakley is supervised through a compliance program designed to prevent and detect violations of federal and state securities laws. Compliance supervision includes review of portfolios, review of investment policy statements, review of advisory agreements, review of emails, and personal securities transactions. As a representative of Steffes Financial, Ltd., Christopher T. Stakley works closely with his supervisor, Gerald C. Steffes. Christopher T. Stakley's contact information is on the cover page of this disclosure document. Gerald C. Steffes' can be contacted at 913-722-1111 Ext. 1 or Gerald@SteffesFinancial.com.



STEFFES FINANCIAL, LTD.  
**Solutions for a Complex World**

## **Form ADV, Part 2B Individual Disclosure Brochure**

*for*

**Grant G. Steffes**

Investment Adviser Representative

Version Date: 01/01/2023

***This brochure supplement provides information about Grant G. Steffes that supplements the Steffes Financial, Ltd. brochure. You should have received a copy of that brochure. Please contact Gerald C. Steffes, President, if you did not receive Steffes Financial, Ltd.'s brochure or if you have any questions about the contents of this supplement.***

***Additional information about Grant G. Steffes (CRD#7396297) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).***

8655 College Boulevard, Overland Park, KS 66210, 913-722-1111

## Item 2: Educational Background and Business Experience

**Name:** Grant G. Steffes

**Born:** 1993

### Education Background and Professional Designations:

#### Education:

- Texas Christian University; Master of Accountancy; 2016
- Texas Christian University; Bachelors Business Administration; 2015

#### Designations:

##### CFP® - Certified Financial Planner

###### CFP® MINIMUM QUALIFICATIONS:

- Bachelor's degree or its equivalent, in any discipline, from an accredited university
- Minimum 15-hour curriculum necessary to prepare for the CFP exam (you are allowed to challenge the educational requirements if you are a licensed attorney or are hold any of the following certifications or degrees: Certified Public Accountant, Chartered Financial Analyst, Chartered Financial Consultant, Chartered Life Underwriter, Doctor of Business Administration or PhD in business or economics).
- Apply for and achieve a passing score on the Certified Financial Planner exam.
- Possess at least 3 years of work experience in the financial planning industry - teaching, assisting, supervising or delivering financial planning services to a client base for a minimum of 3 years prior to certification.
- Pass a background check and candidate fitness standards test. You must reveal any criminal history, pending litigation or ethical violations. The CFP board verifies all employment history, qualifications and disciplinary issues via FINRA's Central Registration Depository.

#### Business Background:

- Steffes Financial, Ltd; Investment Advisor Representative; from 06/2021 to Present.
- Ernst and Young, LLP; Assurance Financial Services; from 09/2016 to 09/2020

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

#### **Item 4: Other Business Activities**

There are no other business activities that are material to a client's or prospective client's evaluation of this advisory business.

#### **Item 5: Additional Compensation**

Other than salary and/or bonuses, Grant G. Steffes does not receive any economic benefit from any person, company, or organization, in exchange for providing clients advisory services through Steffes Financial, Ltd.

#### **Item 6: Supervision**

Grant G. Steffes is supervised through a compliance program designed to prevent and detect violations of federal and state securities laws. Compliance supervision includes review of portfolios, review of investment policy statements, review of advisory agreements, review of emails, and personal securities transactions. As an investment advisor representative of Steffes Financial, Ltd., Grant G. Steffes works closely with his supervisor, Gerald C. Steffes. Grant G. Steffes contact information is on the cover page of this disclosure document. Gerald C. Steffes' can be contacted at 913-722-1111 Ext. 1 or [Gerald@SteffesFinancial.com](mailto:Gerald@SteffesFinancial.com).

## Form ADV Part 3: Relationship Summary

### Steffes Financial, Ltd.

#### Introduction

Steffes Financial, Ltd. is an investment adviser registered with the U.S. Securities and Exchange Commission. We offer our clients investment advisory services. Clients should understand that the services we provide and fees we charge are different than those of a broker-dealer, and that it is important to understand the difference between the two. Free and simple tools are available to research firms and financial professionals at <https://www.investor.gov/CRS>, which also provides educational materials about investment advisers, broker-dealers and investing.

#### What Investment Services and Advice Can You Provide Me?

**Description of Services:** Steffes Financial offers the following investment advisory services to retail investors. (1) Discretionary Investment Advisory Account Management services which involves us managing and trading your designated brokerage investment account(s). We will discuss your investment goals and design a strategy to try and achieve your investment goals. We continuously monitor your investments when providing management services and contact you at least annually to discuss your portfolio. These services are most commonly provided on a **discretionary** basis meaning we will have the authority to determine the type and amount of securities to be bought or sold in your account. If we manage accounts on a **non-discretionary basis**, we must confirm any trades in your account with you before we place them. For more information about investment authority, please see **Item 16** of our **Form ADV Part 2A**. (2) Individual Qualified Retirement Account and Tax-Deferred Annuity Investment Consulting services are similar to management services in that we will provide you specific investment recommendations to qualified retirement account participants and Tax-Deferred Annuity owners. However, we will not have trading authorization or direct access to participant Qualified Retirement Accounts, so it is your responsibility to make all trades and changes to your Qualified Retirement accounts. (3) Financial Planning Services involve us creating a written financial plan for you or providing consultative meetings which cover mutually agreed upon topics. For more information about our services, please see **Item 4** of our **Form ADV Part 2A**.

**Limited Investment Offerings:** We do not primarily recommend one type of security to clients. Instead, we develop investment portfolios designed to be suitable for each client relative to that client's specific circumstances and needs. However, we are limited in investment selection in that we can only invest your account in securities which are available on your custodian/broker-dealer's platform. When providing you services, we do not recommend or offer advice on any proprietary products.

**Account & Fee Minimums:** We require a minimum of investment of \$500,000, and a minimum annual fee of \$5,000, in order to open an account managed by us. To reach this account minimum, you can aggregate all household accounts.

**Conversation Starters:** *Given my financial situation, should I choose an investment advisory service? Why or why not? How will you choose investments to recommend to me? What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?*

#### What Fees Will I Pay?

**Description of Principal Fees & Costs:** (1) Fees for our management and review services are charged based on a percentage of assets under management or review, billed in arrears on a quarterly calendar basis, and calculated based on the fair market value of your account as of the last business day of the previous billing period. To determine your annual fee, we use a fee schedule ranging between 0.40% and 1.00%. Because our fee is based upon the value of your accounts, we have an incentive to recommend that you increase the level of assets in your account. You will incur other fees and expenses. For example, the broker-dealer/custodian on your account will charge fees and expenses for administering your account. You will incur internal fees and expenses by the funds we invest within your account. (2) The rate for financial planning is between \$200 per hour and \$300 per hour (in some cases we may charge more or less than these rates). You will pay in advance a mutually agreed upon retainer before we start services. Any unpaid fees are due immediately upon completion of the project. Fees we charge for financial planning will not cover the costs associated with implementing any recommendations we may make.

**Additional Information:** You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. For more information about the fees we charge and the other fees and expenses you will incur, see **Item 5 of Form ADV Part 2A**.

**Conversation Starters:** Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?

### **What Are Your Legal Obligations to Me When Acting as My Investment Adviser? How Else Does Your Firm Make Money and What Conflicts of Interest Do You Have?**

**Standard of Conduct:** When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means. (1) When we provide *Discretionary Investment Advisory Account Management* services, we will ask that you establish an account with either Charles Schwab & Company, Inc. ("Schwab") or TD Ameritrade to maintain custody of your assets and to effect trades for your account. Our recommendation to use Schwab and TD Ameritrade is not based solely on your interest of receiving the best execution possible. We also recommend them because they provide us with research, products and tools that help us manage and further develop our business operations. As a result, we do not have to pay for such benefits, which saves us money; however, these arrangements create a conflict of interest. (2) Our representatives also serve as licensed insurance agents. When acting in this capacity, the representative will receive commissions for selling insurance products. This creates a conflict of interest when the representative recommends you purchase insurance products through him or her.

**Conversation Starters:** How might your conflicts of interest affect me, and how will you address them?

**Additional Information:** For more information about our conflicts of interests and the ways we are compensated, please see **Item 5, Item 10, and Item 12** of our **Form ADV Part 2A**.

### **How Do Your Financial Professionals Make Money?**

**Description of Salary/Payment of IARs:** We compensate our investment adviser representatives with a salary plus incentive compensation based on the level of revenue they service for the firm.

### **Do You or Your Financial Professionals Have Legal or Disciplinary History?**

Neither us, nor our investment adviser representatives have a legal or disciplinary history to report. You can look up more information about us and our investment adviser representatives at <https://www.investor.gov/CRS>.

**Conversation Starters:** As a financial professional, do you have any disciplinary history? For what type of conduct?

### **Additional Information About Steffes Financial**

Additional information about us and a copy of this relationship summary are available on the Internet at <https://www.steffesfinancial.com/>. You can also find our disclosure brochures and other information about us at <https://adviserinfo.sec.gov/firm/summary/134530>. If you have any questions or want an up-to-date copy of this relationship summary, we can be reached by phone at (913) 722-1111.

**Conversation Starters:** Who is my primary contact person? Is he or she a representative of an investment adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?



# FACTS

## WHAT DOES STEFFES FINANCIAL, LTD. DO WITH YOUR PERSONAL INFORMATION?

### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- ☐ Social Security number and income
- ☐ Assets and transaction history
- ☐ Investment experience and risk tolerance

When you are *no longer* our client, we continue to share your information as described in this notice.

### How?

All financial companies need to share client's personal information to run their everyday business. In the section below, we list the reasons financial companies can share their client's personal information; the reasons Steffes Financial chooses to share and whether you can limit this sharing.

Reasons we can share your personal information	Does Steffes Financial share your info?	Can you limit this sharing?
<b>For our everyday business purposes</b> — such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	YES	NO
<b>For our marketing purposes</b> — to offer our products and services to you	NO	We do not share
<b>For joint marketing with other financial companies</b>	NO	We do not share
<b>For our affiliates' everyday business purposes</b> — information about your transactions and experiences	NO	We do not share
<b>For our affiliates' everyday business purposes</b> — information about your creditworthiness	NO	We do not share
<b>For our affiliates to market to you</b>	NO	We do not share
<b>For nonaffiliates to market to you</b>	NO	We do not share

### Questions?

Call (913) 722-1111

**Who we are****Who is providing this notice?**

Steffes Financial, Ltd.

**What we do****How does Steffes Financial protect my personal information?**

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

**How does Steffes Financial collect my personal information?**

We collect your personal information, for example, when you

- open an account or give us contact information
- enter into an investment adviser contract or give us your income information
- tell us about your investment or retirement portfolio

We also collect your personal information from other companies.

**Why can't I limit all sharing?**

Federal law gives you the right to limit only

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for nonaffiliates to market to you

State laws and individual companies may give you additional rights to limit sharing

**Definitions****Affiliates**

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- ***Steffes Financial has no affiliates***

**Nonaffiliates**

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- ***Steffes Financial does not share with nonaffiliates so they can market to you***

**Joint marketing**

A formal agreement between nonaffiliated financial companies that together market financial products or services to you.

- ***Steffes Financial doesn't jointly market***

**Other important information**

The firm may share your information with broker-dealer firms having regulatory requirements to supervise certain of its activities.