

# DISCLOSURE BROCHURE

Form ADV Part 2A

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## Conrad Siegel™

501 Corporate Circle  
Harrisburg, Pennsylvania 17110  
717.652.5633

999 Vanderbilt Beach Road, Suite 200  
Naples, Florida 34108  
239.325.1866

201 Granite Run Drive, Suite 130  
Lancaster, Pennsylvania 17601  
717.727.7500

[www.ConradSiegel.com](http://www.ConradSiegel.com)

This brochure provides information about the qualifications and business practices of Conrad Siegel Investment Advisors, Inc. (hereinafter "CSIA" or the "Firm"), a wholly owned subsidiary of Conrad M. Siegel, Inc. (the "Parent Company"). If you have any questions about the contents of this brochure, please contact the Firm at the number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority. Additional information about CSIA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). CSIA is an independent, federally registered investment adviser. Registration does not imply any level of skill or training.

## **Item 2. Material Changes**

In this Item, CSIA is required to discuss any material changes which have been made to the brochure since the last annual amendment filed February 5 2021. This brochure contains no material changes thereto.

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## **Item 4. Advisory Business**

### **Description of the Firm**

This brochure describes the business of CSIA. Certain sections will also describe the activities of Supervised Persons. Supervised Persons are any of CSIA's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on CSIA's behalf and is subject to CSIA's supervision or control. CSIA, a wholly-owned subsidiary of Conrad M. Siegel, Inc. was founded in July 2002 and currently provides financial planning, consulting, and investment management services. The Firm is principally owned by the Parent Company.

Prior to engaging CSIA to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with CSIA setting forth the terms and conditions under which CSIA renders its services (collectively the "Agreement").

### **Financial Planning and Consulting Services**

CSIA provides its clients with a broad range of comprehensive financial planning and consulting services. These services are customized for the individual client, but generally include retirement planning, investment planning, risk management, education planning (i.e., college savings), and estate planning.

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

### **Educational Services**

CSIA provides personalized and/or non-personalized investment-related educational training to certain clients. These services generally address issues involving employee participation in employer-sponsored retirement plans.

CSIA holds employee educational meetings for many of its 401(k) clients and can provide participants with personalized education. The Firm does not contract with participants or charge a fee to participants but can include these educational services as part of the overall services it provides to its 401(k) clients.

### **Fiduciary Oversight Services**

As a 3(21) fiduciary or 3(38) fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA"), CSIA provides guidance for clients by managing some or all of their fiduciary responsibilities. CSIA offers an array of oversight services to ensure compliance with the ERISA Fiduciary Rule. CSIA drafts Investment Policy Statements ("IPS") and monitors them on a quarterly basis while providing notification and a recommended course of action if a client's fund falls below the criteria set forth in the IPS. CSIA also meets with retirement plan sponsors to

discuss the total cost associated of administering the plan. Similarly, CSIA also analyzes sponsors' mutual fund usage, performances vs. benchmarks comparison and qualified default investment alternatives.

### **Investment Management Services**

Clients can engage CSIA to manage all or a portion of their assets on a discretionary or non-discretionary basis. As further discussed in Item 8 (below), CSIA primarily allocates clients' investment management assets among mutual funds, ETFs (as defined below) and collective investment trusts, in accordance with the investment objectives of the client. CSIA also provides advice about any type of investment held in clients' portfolios with the exception, in certain circumstances, of company stock.

CSIA also renders non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, CSIA either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

### **Client Tailored Engagements**

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

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

### **Siegel Select Portfolios**

Where deemed appropriate, certain investment management and financial planning services are provided by the Firm through the Siegel Select Portfolios ("SSP" or "Siegel Select Portfolios") Program. Through SSP, CSIA offer clients a range of investment strategies the Firm has constructed and manages. Each strategy consists of a portfolio of exchange-traded funds ("ETFs") and a cash allocation in accordance with the investment objectives of the client.

SSP portfolios are held in a brokerage account opened by the clients at Charles Schwab & Co., Inc. ("Schwab").

CSIA uses the Institutional Intelligent Portfolios platform offered by Schwab Performance Technologies ("SPT"), a software provider to independent investment advisors and an affiliate of Schwab, to make SSP available to clients online and includes a system that automates certain key parts of the Firm's investment process (the "System"). The System includes an online questionnaire that helps CSIA determine the client's investment objectives and risk tolerance and select an appropriate investment strategy and portfolio. Clients should note that the Firm will recommend a portfolio via the System in response to the client's answers to the online questionnaire. The client may then indicate an interest in a portfolio that is one level less or more conservative or aggressive than the recommended portfolio, but CSIA then makes the final decision and selects a portfolio based on all the information the Firm has about the client. The

System also includes an automated investment engine through which CSIA manages the client's portfolio on an ongoing basis through automatic rebalancing and tax-loss harvesting (if the client is eligible and elects).

The Firm charges clients a fee for its services as described below in Item 5. Clients whose portfolios are managed through SSP generally do not pay brokerage commissions or any other fees to Schwab as part of SSP.

CSIA currently does not pay SPT fees for its services in SSP.

### **Wrap Fee Programs**

Except to the extent described above, CSIA does not sponsor or participate in any wrap fee programs.

### **Assets Under Management**

As of June 30, 2021, the Firm had approximately \$7,888,019,145 in assets under management, of which \$2,523,451,802 was managed on a discretionary basis. Additionally, \$5,364,567,343 was managed on a non-discretionary basis.

## Item 5. Fees and Compensation

CSIA offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management.

### **Fees for Financial Planning, Consulting, Educational and Fiduciary Oversight Services**

CSIA typically charges a fixed fee and/or hourly fee for financial planning, consulting, educational and fiduciary oversight services. These fees are negotiable, but generally range from \$3,000 to \$100,000 on a fixed fee basis and/or from \$85 to \$340 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the services.

For its educational services where the retirement plan is an advisory client of CSIA, the Firm typically will not charge an additional fee for the first eight (8) hours of educational services and meeting time provided to the retirement plan's participants. Thereafter, CSIA typically bills the plan sponsor for any additional time at the same hourly rate as its financial planning and consulting services.

Prior to engaging CSIA to provide any of the above services, the client is required to enter into a written agreement with CSIA setting forth the terms and conditions of the engagement.

### **Investment Management Fees**

CSIA provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by CSIA. CSIA's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. CSIA does not, however, receive any portion of these commissions, fees, and costs.

CSIA's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by CSIA on the last day of the previous quarter. For certain clients, CSIA's annual fee is prorated and paid either annually or semi-annually in arrears, based upon the market value of the assets on the last day of the year or the semi-annual period, as applicable.

The annual fee varies depending upon the market value of the assets under management and the type of investment management services to be rendered. For individual clients, the fee ranges up to 90 basis points (0.90%). For all other clients, the fee schedule is as follows:

#### **Defined Benefit Plan Clients:**

First \$5,000,000 .....	0.30%
Next \$10,000,000 .....	0.15%
Next \$35,000,000 .....	0.10%
Remaining assets above \$50,000,000.....	0.05%

#### **Defined Contribution Plan Clients:**

First \$5,000,000 .....	0.40%
Remaining assets above \$5,000,000.....	0.10%

**Corporate and Endowments Clients:**

First \$3,000,000 .....	0.60%
Next \$7,000,000 .....	0.20%
Remaining assets above \$10,000,000 .....	0.10%

In addition, CSIA may charge an additional fee of up to \$3,000 to provide investment management services and/or advice regarding securities that are not on the Firm’s recommended list of investments. The Firm also charges an additional hourly or flat fee should the client request additional services, such as (but not limited to) specialized investment research, preparation of participant retirement kits, and additional meetings or portfolio reviews with the client. The fees for these services are set forth in the Agreement with the client.

Where the Parent Company, an affiliated pension consulting firm in Harrisburg, Pennsylvania, provides actuarial services to defined benefit plans, CSIA will assess a flat fee with annual increases in CPI rather than an asset based fee. This serves to mitigate a potential conflict of interest where CSIA benefits from increased plan contributions which increases the underlying assets and therefore the asset-based fee received by CSIA.

**Fee Discretion**

CSIA, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

**Siegel Select Portfolios Fees**

CSIA offers investment management services through SSP for an annual asset-based management fee. This management fee is 25 basis points (0.25%), subject to a minimum annual fee of \$240 per account. The annual fees are charged quarterly, in advance, based upon the market value of the assets being managed by CSIA on the last day of the previous billing period. If SSP clients want additional services, they can engage CSIA for financial planning services. These fees would be quoted to cover time charges. If SSP clients want regular meetings (1-2 times a year, for example) to review portfolios, the Firm will charge a retainer-type flat fee. Brokerage arrangements with respect to Siegel Select Portfolios are further described below in Item 12.

**Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), CSIA generally recommends that clients utilize the custody, brokerage and clearing services of Schwab and/or TD AMERITRADE Institutional, a division of TD AMERITRADE, Inc. (“TD Ameritrade”) for investment management accounts. CSIA participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA (“TD Ameritrade”), an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade Holding Corporation is a wholly-owned subsidiary of the Charles Schwab Corporation. TD Ameritrade offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. CSIA receives some benefits from TD Ameritrade through its participation in the program.

CSIA may only implement its investment management recommendations after the client has arranged for and furnished CSIA with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, Schwab,



TD Ameritrade, any other broker-dealer recommended by CSIA, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "Financial Institutions"). Clients also have the option to purchase investment products recommended by CSIA through other, unaffiliated brokers or agents.

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

### **Fee Debit**

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

### **Fees for Management During Partial Periods of Service**

For the initial period of investment management services, the fees are calculated on a pro rata basis. With respect to Siegel Select Portfolios, clients are not charged for the initial billing period of an engagement, and are billed beginning the following period. If assets are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the period.

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

Clients may make additions to and withdrawals from their account at any time, subject to CSIA's right to terminate an account. Additions may be in cash or securities provided that CSIA reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to CSIA, subject to the usual and customary securities settlement procedures. However, CSIA designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. CSIA may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

### **Commissions or Sales Charges for Recommendations of Securities**

CSIA does not receive any commissions or transaction fees associated with its investment management services. No Supervised Persons of CSIA are registered representatives of a broker-dealer.

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

CSIA does not provide services for performance-based fees, which are considered those based on a share of capital gains or capital appreciation of client assets. As such, the Firm does not engage in side-by-side management, as it relates to this Item.

## Item 7. Types of Clients

CSIA provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, endowments, business entities, and state or municipal government entities.

### **Minimum Fee**

As a condition for starting and maintaining a relationship, CSIA generally imposes a minimum annual fee based on the type of client, as follows: \$5,000 to \$9,000 for individual clients, \$4,500 for defined benefit plans, \$6,000 for corporations and endowments, and \$9,000 for defined contribution plans. This minimum fee may have the effect of making CSIA's service impractical for certain clients, particularly those individuals with portfolios less than \$500,000, defined benefit plans with portfolios less than \$450,000, corporations and endowments with portfolios less than \$600,000 and defined contribution plans with portfolios less than \$900,000.

CSIA, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and pro bono activities. The Firm only accepts clients with less than the minimum portfolio size if, in the Firm's sole opinion, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. CSIA may aggregate the portfolios of clients and their affiliates to meet the minimum annual fee.

The foregoing minimum requirements do not apply to Siegel Select Portfolios ("SSP"). Instead, the minimum investment required to open an account through SSP is \$5,000 and all accounts under management through SSP are subject to a minimum annual fee of \$240.

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

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

CSIA employs a core approach of market weighted or fundamentally weighted mutual funds or ETFs as investment vehicles in an attempt to deliver broad diversification and minimize specific issue risk. For larger retirement plan clients, the Firm may incorporate collective investment trusts. In addition, for investors desiring added risk, the Firm may incorporate more actively managed mutual funds or ETFs.

The Firm utilizes both quantitative and qualitative methods of analysis. The Firm begins by researching the Morningstar database of over 25,000 mutual funds and ETFs. The Firm analyzes select funds based on fundamental factors such as degree of size/style overweighting, liquidity, diversification, specific investment concentration, risks to unit return. The Firm then employs discussions with the fund company and /or some quantitative analysis with regards to management, length of tenure, and consistency to determine its final selections for its recommend funds list. The primary risk in using this type of analysis is that spotting historical trends and analyzing historical factors may not help to predict such trends in the future. While the Firm typically recommends starting with a core portfolio of index/passive funds, it also offers actively managed funds for the client to explore.

CSIA believes in a low cost and passive style of investment management based on the belief that asset allocation is the most important decision an investor will make. The Firm believes that financial forecasting is not useful and can be counterproductive, and as such prefers low turnover portfolios to market timing. The Firm believes that free and open markets are generally efficient. CSIA also believes that human nature, fear, and greed can cause market valuations, at times, to be different than their true or intrinsic values. While returns for any one year are random, over market cycles and the long-term, different segments of the market will outperform others, with no one segment consistently outperforming. CSIA advocates broad diversification which often includes a mix of fixed income, domestic equity (including large, mid, and small asset classes), foreign equity (including emerging markets), and possibly sector funds. The Firm utilizes mutual funds and ETFs with low turnover over individual securities to achieve this diversification. For investors desiring added risk, the Firm may incorporate more actively managed mutual funds and ETFs.

For the Firm's clients with participant directed investments, CSIA's intent is to keep the mutual fund "menu" concise as to not confuse the average participant. In most cases, CSIA offers a menu of underlying investment options so that a do-it-yourself investor can create a properly diversified investment portfolio. However, the Firm recognizes that many participants are the do-it-for me type. Therefore, the Firm believes in providing those participants a straightforward investment option which can come in the form of a risk-based lifestyle fund, a target retirement date fund, or proprietary investment portfolios. CSIA's investment portfolios are pre-packaged mixes of the same mutual funds offered to the do-it-yourself participant. The Firm then rebalances these portfolios at pre-determined times.

For clients where CSIA is selecting the level of diversification within their portfolio and when developing investment portfolios for our 401k participants, the Firm uses computer modeling to arrive at what it believes to be appropriate risk return levels. CSIA invests with the long-term in mind and makes recommendations for change when the Firm believes it can either increase the long-term return or lower volatility in a portfolio. The Firm does not make short term shifts in a portfolio.

### Siegel Select Portfolios (SSP)

SSP allows CSIA to provide its investment strategies to individual investors who are 1) retirement plan participants as an IRA rollover option; or 2) CSIA individual prospects who ordinarily would not be good candidates for the Firm's reduced or full individual advisory services due to their investable assets. Both sets of investors often end up putting their money in high-expense, low-performing products sold to them by a broker. CSIA will manage the portfolios, recommend an initial allocation to clients and periodically update that allocation recommendation. In addition, CSIA will send regular email communications to SSP clients. This will include value-added information as well as regular communication to remind clients to re-evaluate their risk level at certain stages.

Below is a brief summary of some of the material risks that potential clients should consider before engaging with CSIA. These risks may materially and adversely affect investment performance and could cause investors to lose substantial amounts of money. A potential client should discuss with our advisors any questions they have prior to opening an account.

### Risks of Loss

Investing in securities involves the risk of loss, including the potential loss of principal, and Clients should be prepared to bear such loss. Past performance is no guarantee of future results, which may be impacted by shifting market trends and changing economic conditions. There can be no assurance that any investment or strategy will prove profitable.

### Mutual Funds and ETFs

An investment in a mutual fund involves risk, including the loss of principal. Mutual fund shareholders are subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund level capital gains, as mutual funds are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss. Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"). However, the total amount of the trade is effected by any sales loads, transaction costs, and sales/purchase fees. The per share NAV of a mutual fund is calculated at the end of each business day.

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

With respect to cash positions, the principal concern for individuals investing in cash or cash

equivalents is inflation risk, which is the risk that inflation will outpace and erode returns over time. Investing in cash involves the risk of opportunity loss in higher return investments. In a low interest rate environment, Client money may have negative real returns.

#### Management through Similarly Managed Accounts

For certain clients, CSIA manages portfolios by allocating portfolio assets among various mutual funds and ETFs on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "investment strategy"). In so doing, CSIA buys, sells, exchanges and/or transfers shares of mutual funds and ETFs based upon the investment strategy. CSIA's management using the investment strategy complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the investment strategy, with a safe harbor from the definition of an investment company.

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

#### Management through Siegel Select Portfolios

Investing in securities, whether through SSP or otherwise, involves the risk of loss that Clients should be prepared to bear. When Clients enroll in SSP, they give CSIA the authority to choose their investment strategies for them based on, among other things, a Client's risk tolerance. There is no limitation in the SSP's platform on which investment strategy CSIA may choose for its Clients. For whichever strategy is chosen, there can be no guarantee that the strategy will produce the desired results.

#### Management through Automated Advisers

CSIA can allocate all of a portion of a client's assets through the use of one or more automated advisers, commonly referred to as "Robo-Advisers," which invest and rebalance portfolios using algorithms based on a client's financial situation and objectives. The algorithm might rebalance client accounts without regard to market conditions and may not address prolonged changes in market conditions. The degree of manual oversight of the algorithms varies by platform and the staff of an automated adviser may override an algorithm manually at any time without notice to CSIA or the client.

#### Public Health Risk

Certain countries have been susceptible to epidemics, such as severe acute respiratory syndrome, avian flu, H1N1/09 flu and most recently, the coronavirus. The outbreak of an infectious disease or any other serious public health concern, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy, and business activity in any of the countries in which a client may invest and thereby adversely affect the performance of a clients' investments.

## **Item 9. Disciplinary Information**

CSIA is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. CSIA does not have any required disclosures to this Item.

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

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

### **Related Employee Benefit Consultants**

CSIA does not render employee benefit consulting services to its clients. However, certain of the Firm's Supervised Persons also serve a similar capacity for the Parent Company, an employee benefit consulting firm located in Harrisburg, Pennsylvania. From time to time, CSIA recommends certain of its clients to the Parent Company for various employee benefit consulting services. The Parent Company renders these services independently of CSIA. CSIA does not receive any portion of the fees charged (referral or otherwise) by the Parent Company for the services rendered. The place of business of the Parent Company is the same as that of CSIA.

It is also expected that these Principals of CSIA who are also Principals of the Parent Company, solely incidental to their respective practices as employee benefit consultants with the Parent Company, will recommend CSIA's services to certain of the Parent Company's clients. Although the Parent Company does not receive referral fees from CSIA, these individual members of CSIA may be entitled to receive distributions relative to their respective ownership interests in CSIA. The Parent Company is not involved in providing investment advice on behalf of the CSIA.

There may be a conflict of interest where the Parent Company acts as an independent third party recordkeeper and as such may be eligible to receive a Plan Expense Payment from Schwab. Any plan expense payment is credited to the client as disclosed in more detail in Item 12.



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

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

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

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no Access Person may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the Access Person) a transaction in that security unless the transaction has been completed; the transaction for the Access Person is completed as part of a batch trade (as defined below in Item 12) with clients; or a decision has been made not to engage in the transaction for the client.

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

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

## **Item 12. Brokerage Practices**

As discussed above, in Item 5, CSIA generally recommends that clients utilize the custody, brokerage and clearing services of Schwab and/or TD Ameritrade.

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

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

CSIA periodically and systematically reviews its policies and procedures regarding its recommendation of Financial Institutions in light of its duty to obtain best execution.

### **Client Directed Brokerage**

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

### **Trade Aggregation**

Transactions for each client generally will be effected independently, unless CSIA decides to purchase or sell the same securities for several clients at approximately the same time. CSIA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among CSIA's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among CSIA's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that CSIA determines to aggregate client orders for the purchase or sale of securities, including securities in which CSIA's Supervised Persons may invest, CSIA generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the SEC. CSIA does not receive any additional compensation or remuneration as a result of the aggregation. In the event that CSIA determines that a prorated allocation is not appropriate under the particular circumstances, the

allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, CSIA may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Research and Other Soft Dollar Benefits**

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist CSIA in its investment decision-making process. Additionally, CSIA may have an incentive to select or recommend a broker-dealer based on their interest in receiving research or other soft dollar benefits, rather than on clients' interest in receiving the most favorable execution. Such research generally will be used to service all of CSIA's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because CSIA does not have to produce or pay for the products or services.

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

CSIA may receive from Schwab and/or TD Ameritrade, without cost to CSIA, computer software and related systems support, which allow CSIA to better monitor client accounts maintained at the respective firm. CSIA may receive the software and related support without cost because CSIA renders investment management services to clients that maintain assets at Schwab and TD Ameritrade. The software and related systems support may benefit CSIA, but not its clients directly. In fulfilling its duties to its clients, CSIA endeavors at all times to put the interests of its clients first. Clients should be aware, however, that CSIA's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence CSIA's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

### **Schwab Institutional**

CSIA receives the following benefits from Schwab through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services the Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

For clients that enter into either a brokerage account agreement with Schwab or an agreement for custodial or trustee services with Schwab and the Parent Company, as an independent third party record-keeper to Schwab, will be eligible to receive a Plan Expense Payment through

Schwab for its administrative and/or recordkeeping services if the Plan's account with Schwab satisfies the criteria established under the RP Program Administrator Agreement in effect between the Parent Company and Schwab. Our standard method of handling is for any Plan Expense Payment to be credited directly by Schwab to the Plan as soon as administratively feasible and to be allocated as investment return as of the Plan allocation date on or immediately following the date of credit. Neither CSIA nor the Parent Company will receive these funds. However, there are some existing clients that have not yet elected to have the Plan Expense Payment returned to the Plan. In that scenario, if the client is a defined contribution plan client, to the extent there is any Plan Expense Payment, we shall deduct such Plan Expense Payment from the compensation owed to the Parent Company for recordkeeping services or Schwab will retain it to offset their custodial fee and if the client is a defined benefit plan client, Schwab will retain it to offset their custodial fee.

### **TD Ameritrade**

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

These products or services may assist CSIA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help CSIA manage and further develop its business enterprise. The benefits received by CSIA's participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by CSIA or its related persons in and of itself creates a potential conflict of interest and may indirectly influence CSIA's recommendation of TD Ameritrade for custody and brokerage services.

### **Siegel Select Portfolios**

In addition to CSIA's portfolio management and other services, the SSP includes the brokerage services of Schwab. While clients are required to use Schwab as custodian/broker to enroll in SSP, the client decides whether to do so and opens its account with Schwab by entering into an account agreement directly with Schwab. If the client does not wish to place his or her assets with Schwab, then CSIA cannot manage the client's account through SSP.

With respect to SSP, as described above under Item 4, CSIA currently does not pay SPT fees for its services in connection with SSP. In light of CSIA's arrangements with Schwab and SPT, the Firm may have an incentive to recommend that clients maintain their accounts with Schwab based on the Firm's interest in receiving Schwab's services that benefit its business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of transactions. This is a potential conflict of interest. CSIA believes, however, that its selection of Schwab as custodian and broker is in the best interests of its clients. It is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services that benefit only the Firm. Conrad Siegel has adopted policies and procedures designed to ensure that its use of Schwab's services is appropriate for each of its clients.

## **Item 13. Review of Accounts**

### **Account Reviews**

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

### **Account Statements and Reports**

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom CSIA provides investment advisory services will also receive a report from CSIA that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance not less than annually. Clients should compare the account statements they receive from their custodian with those they receive from CSIA.

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

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

### **Economic Benefits**

CSIA is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. CSIA does not receive economic benefits from a third party for providing advisory services.

### **Client Referrals**

CSIA is required to disclose any direct or indirect compensation that it provides for client referrals. The Parent Company has entered into an agreement with Schwab, an independent and unaffiliated broker-dealer, to participate in Schwab Advisor Network™ ("SAN"), an advisor referral service designed to help investors find an independent professional investment manager in their area. The Parent Company has agreed to pay Schwab a fee for participating in SAN. This fee covers all client referrals made to CSIA by Schwab and may be increased, decreased or waived by Schwab from time to time. CSIA will not charge clients introduced through SAN fees or costs greater than the fees or costs CSIA charges its advisory clients who were not introduced through SAN and who have similar assets under management with CSIA and receive similar services. Through the Parent Company, CSIA's participation in SAN may raise potential conflicts of interest. The Parent Company's referral fee to Schwab is lower if CSIA accounts thereafter remain in the custody of Schwab rather than another broker-dealer. Any recommendation to use Schwab as the broker-dealer will be consistent with CSIA's duty of best execution as further discussed above. The Firm has also disclosed in Item 12, above, other support products and services that it receives from Schwab and other Financial Institutions.

Additionally, CSIA has entered into solicitation arrangements pursuant to which it compensates a third-party for referrals that result in potential investors becoming clients of the Firm. CSIA will bear the full cost of any fees payable to such placement agents, in accordance with Rule 206(4)-3 of the Advisers Act.

## **Item 15. Custody**

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

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

## **Item 16. Investment Discretion**

CSIA may be given the authority to exercise discretion on behalf of clients. CSIA is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. CSIA is given this authority through a power-of-attorney included in the Agreement between CSIA and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). CSIA takes discretion over the securities to be purchased or sold, the amount of securities to be purchased or sold; and when transactions are made.

Additionally, CSIA also provides investment management and advisory services to clients on a non-discretionary basis pursuant to the specific terms of the Agreement. In those situations, CSIA must either seek the client's approval prior to implementing its recommendations or rely on the client to execute transactions for the account on which it is advising.



## **Item 17. Voting Client Securities**

CSIA is required to disclose if it accepts authority to vote client securities. CSIA does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions where their assets are custodied and may contact the Firm at the telephone number on the cover of this brochure with questions about such solicitations.

## **Item 18. Financial Information**

CSIA is not required to disclose any financial information pursuant to this Item as the Firm (i) does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance, (ii) does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and (iii) has not been the subject of a bankruptcy petition at any time during the past ten years.