

Titleist ASSET MANAGEMENT, LTD.

Member FINRA-SIPC

Titleist Asset Management, Ltd. ADV IIA Client Brochure

CRD NUMBER: 126136
SEC NUMBER: 801-80959

This brochure provides information about the qualifications and business practices of Titleist Asset Management, Ltd., a Registered Investment Advisor. If you have any questions about the contents of this brochure, please contact us at 210.826.2424 or via email directly to compliance@tamgmt.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”). Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Titleist Asset Management, Ltd. is also available on the SEC’s Web site at www.adviserinfo.sec.gov.

August 5, 2019
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Item 2: Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV II” which amends the disclosure document that we provide to clients as required by SEC Rules. SEC Rules require that this be provided within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

This brochure has been amended to include information about Curlew Separately Managed Account. (“the Fund”) a private investment fund that will be offered to investment advisory clients of Titleist Asset Management, Ltd. as well as any public investor who have accounts at Charles Schwab or TD Ameritrade. The Fund is not limited to only Titleist Asset Management, Ltd. investment advisory clients. Mr. Byron Fields and Mr. Austin Graff, the Investment Managers of the Fund, are registered with Titleist Asset Management, Ltd. as an Investment Advisor Representatives. Please refer to Sections 4, 5, 8, 10, 11, 15 and 16 for more information about this Fund.

This brochure is also being amended to add an investment trading strategy, called the Curlew Strategy, which will be offered to certain clients of the Firm.

It is also anticipated that the Firm will enter into an Investment Sub-Advisory Agreement with Shorebird Capital, L.P., an affiliated investment advisor, wherein Shorebird will receive a portion of the advisory fees received by the Firm for sub-advisory services provided to the Firm, its clients and clients that invest in the Curlew Strategy.

Lastly, This brochure is being amended to announce the addition of Lance Huntley as the Chief Compliance Officer for Titleist Asset Management.

Item 3: Table of Contents

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Item 4: Advisory Business

Description of the Advisory Firm

Titleist Asset Management, Ltd. (referred hereinafter to as “Advisor” or “TAM”) was incorporated in the State of Texas in 2003 and is registered with the SEC as a Registered Investment Advisor (“RIA”). TAM is also registered with the SEC as a Broker-Dealer (“BD”). Fields and O’Banion Investments, LLC, established in 2003, is the General Partner of the Advisor’s RIA and BD. Mr. Byron L. Fields and Mr. Joe-Ben O’Banion are Managing Partners of the General Partner and Advisor.

At the present time, the investment advisory assets under management are \$339,925,790. It is important to note that as both an RIA and BD, the assets under management reflected here are not inclusive of other additional client brokerage assets being serviced by Titleist Asset Management through its Broker/Dealer. The brokerage assets being serviced total \$162,443,526. This amount is comprised of securities such as mutual funds, annuities and alternative investments.

Investment Management Services

Investment Management Services begin by Advisor assisting each new client in determining the client's investment objectives. Once a portfolio is established the Investment Advisor Representative (“IAR”), in a fiduciary capacity, manages each client's investments in a manner consistent with the client’s objectives and risk tolerance. When discretionary authority is granted by a client, Advisor is free to select the securities to buy and sell, the amount to buy and sell, and when to buy and sell. The Advisor will be restricted to having limited trading authorization. Clients may impose restrictions on investing in certain securities or types of securities. Advisor may also assist clients in establishing a securities account at a brokerage firm, which maintains custody of client securities either directly or with the assistance of its clearing firm. Advisor may recommend clients establish a brokerage account with the Advisor’s clearing firm, and most clients typically do so.

Besides managing various types of securities for clients, such as common and preferred stocks, mutual funds, annuity subaccounts, warrants, rights, bonds, municipal securities, options and government bonds, a portion of the securities in client accounts may be held in cash or cash equivalents, including money market mutual funds.

Advice given to any client may differ from advice given, or the timing and nature of the action taken, to other client accounts. Advisor will make a reasonable effort to follow all investment management restrictions and instructions expressed to the Advisor by a client. Clients are encouraged to contact their IAR at any time if they have questions.

Separately Managed Accounts (“SMA”)

SMAs are managed on a discretionary basis by independent third-party professional money managers (“PMM”). PMMs offer a variety of investment portfolio strategies from which clients to choose. The selected PMM invests and manages the customer’s assets on a discretionary basis, meaning the PMM selects investments for the customer without prior approval from the customer or the IAR. SMAs may have additional fees to those charged by the Advisor for its investment management services. SEI Investments is currently approved by the Advisor as a SMA provider. Clients should be sure to review the Form ADV Part IIA of each account manager whom they choose to do business. A copy will be provided by the Company and is also available on the SEC’s website, www.adviserinfo.sec.gov.

Avocet Strategy

TAM offers the Avocet Strategy, which is managed by Shorebird Capital, LP. The Avocet Strategy can be deployed in an existing customer's account or in a separate account. The strategy's objective is to generate above-market returns and long-term capital appreciation by investing principally in publicly traded, marketable securities of U.S. and non-U.S. companies. The Avocet Strategy intends to employ a disciplined investment process utilizing public information and fundamental analysis to identify securities that are mispriced by the market. Based on fundamental analysis, the Avocet Strategy will purchase securities that are undervalued and sell securities that are overvalued in the best interest of the Strategy, without regard to turnover. The Avocet Strategy may periodically maintain all or a portion of its assets in money market instruments and other cash equivalents.

Curlew Strategy

The Firm also offers the Curlew Strategy, which is managed by Shorebird Capital, LP. The Curlew Strategy can be deployed in an existing customer's account or in a separate account. The Curlew Strategy's objective is to hold US listed large-cap value securities that will generate above market returns allowing for the flexibility to hold stocks of any capitalization. These investments will be held for approximately 3-5 years to provide relatively stable returns.

The investments will be allocated into 3 distinct categories which will be Basic Value, Consistent Earner and Spin-offs/Emerging Franchises. The primary exposure will be contained within Consistent Earner with Basic Value and Spin-offs/Emerging Franchise securities being added when there is an opportunity to supplement total returns.

The Curlew Strategy will be Co-Managed by:

Byron Fields – Founder of Titleist Asset Management and Shorebird Capital. Byron has over 15 years of experience managing client assets

Austin Graff – Institutional Investment Manager with extensive experience managing Global Equity portfolio assets at PIMCO Investment Management

For further clarification on fees assessed to clients who participate in the Avocet Strategy or the Curlew Strategy please refer to “Item 5: Fees and Compensation.” Important disclosure, conflicts of interest and information regarding TAM and Shorebird Capital, LP can be found in “Item 10: Other Financial Industry Activities and Affiliations.”

Private Investment Funds

TAM offers limited partnership interests to its investment advisory clients in the Shorebird Avocet Fund, L.P (“the Avocet Fund”). The Avocet Fund is also available to any public investor who have accounts at Charles Schwab or TD Ameritrade. The Investment Advisor Representative will not use discretionary authority to make client investments into the Avocet Fund. Clients will have to complete additional paperwork and attest to certain matters that make them eligible for participation in the Avocet Fund. In addition, the Investment Advisor Representative will not use discretion in selecting the assets into which the Avocet Fund invests, as this discretionary authority rests solely with the Avocet Fund's manager. The Avocet Fund's objective is to generate above-market returns and long-term capital appreciation by investing principally in publicly traded, marketable securities of U.S. and non-U.S. companies. The Avocet Fund intends to employ a disciplined investment process utilizing public information and fundamental analysis to identify securities that are

mispriced by the market. Based on the Portfolio Manager's fundamental analysis, the Avocet Fund will purchase securities that are undervalued and sell securities that are overvalued in the best interest of the Avocet Fund, without regard to turnover. Prospective investors should refer to the Private Placement Memorandum for the Avocet Fund for a description of fees associated with investing in the Fund.

While the Avocet Fund invests primarily in publicly traded, marketable securities of U.S. and non-U.S. companies, the Avocet Fund has broad and flexible investment authority. Accordingly, the investments of the Avocet Fund may at any time include, without limitation, long or short positions in publicly traded stocks, options and exchange traded funds; letter and control stock; equity and fixed income securities issued by U.S. and foreign companies and governments, including in countries with developed or emerging markets; corporate debt, bonds, notes and other debentures or debt participations; and any other instruments or other evidences of indebtedness of whatever kind or nature; in each case of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable. The Avocet Fund may periodically maintain all or a portion of its assets in money market instruments and other cash equivalents and may not be fully invested at all times.

TAM offers limited partnership interests to its investment advisory clients in the Curlew Fund, L.P ("the Curlew Fund"). The Curlew Fund is also available to any public investor who have accounts at Charles Schwab or TD Ameritrade. The Investment Advisor Representative will not use discretionary authority to make client investments into the Curlew Fund. Clients will have to complete additional paperwork and attest to certain matters that make them eligible for participation in the Curlew Fund. In addition, the Investment Advisor Representative will not use discretion in selecting the assets into which the Curlew Fund invests, as this discretionary authority rests solely with the Curlew Fund's Co-Managers. The Curlew Fund's objective is to generate above-market returns and to hold US listed large-cap value securities allowing for the flexibility to hold stocks of any capitalization. These investments will be held for approximately 3-5 years to provide relatively stable returns.

The investments will be allocated into 3 distinct categories which will be Basic Value, Consistent Earner and Spin-offs/Emerging Franchise. The primary exposure will be contained within Consistent Earner with Basic Value and Spin-offs/Emerging Franchise securities being added when there is an opportunity to supplement total returns.

The Curlew Fund intends to employ a disciplined investment process utilizing public information and fundamental analysis to identify securities that are mispriced by the market. Based on the Portfolio Manager's fundamental analysis, the Avocet Fund will purchase securities that are undervalued and sell securities that are overvalued in the best interest of the Avocet Fund, without regard to turnover. Prospective investors should refer to the Private Placement Memorandum for the Avocet Fund for a description of fees associated with investing in the Fund.

While the Curlew Fund invests primarily in publicly traded, marketable securities of U.S. companies, the Curlew Fund has broad and flexible investment authority. Accordingly, the investments of the Avocet Fund may at any time include, without limitation, long or short positions in publicly traded stocks, options and exchange traded funds; letter and control stock; equity and fixed income securities issued by U.S. and foreign companies and governments, including in countries with developed or emerging markets; corporate debt, bonds, notes and other debentures or debt participations; and any other instruments or other evidences of indebtedness of whatever kind or nature; in each case of any person, corporation, government or other entity whatsoever, whether or not publicly traded or readily marketable. The Curlew Fund may periodically maintain all or a portion of its assets in money market instruments and other cash equivalents and may not be fully invested at all

times.

Important disclosure, conflicts of interest and information regarding TAM and Shorebird Capital, LP can be found in “Item 10: Other Financial Industry Activities and Affiliations.”

Item 5: Fees and Compensation

Clients are charged for Advisor’s asset management services based on a percentage of assets under management. Fees are negotiable based on factors such as, but not necessarily limited to, the number of accounts being managed, the amount of assets under management and the overall complexity of the client’s financial situation. The following is a sample fee schedule provided for illustrative purposes:

<i>*Advisory Fees:</i>	<i>Total Assets</i>	<i>Fee</i>
	Up to \$1,000,000	.50% - 1.50%
	\$1,000,001 - \$3,000,000	.50% - 1.25%
	\$3,000,001 or greater	.50% - 1.00%

***This schedule is used as a guideline only. All fees are subject to negotiation at the sole discretion of the Advisor.**

The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. Annual fees for investment advisory services may be billed and payable quarterly in advance or billed and payable quarterly in arrears. Fees will be prorated based on the number of days that services are provided when the account is established or terminated at any time other than the beginning of a calendar quarter.

Advisor requires to have its advisory fees deducted directly from the client’s account. In these cases, clients must provide the Advisor with written authorization to have fees deducted from the account and paid to Advisor. The custodian delivers quarterly or monthly account statements to clients. Among other details, account statements list disbursements for the account including the amount of the advisory fee when deducted directly from the account.

Fees may be billed and payable quarterly in advance or billed and payable quarterly in arrears. The terms of which are stated below:

Quarterly fees billed in advance at the beginning of each calendar quarter based on the value of assets under management at the end of the previous quarter and is payable within 30 days after the beginning of each calendar quarter. Should the advisory agreement be terminated, the client will be charged a prorated fee in accordance with the number of days that have elapsed from the end of the last billed quarter through the date of termination.

Quarterly fees billed in arrears in each following calendar quarter based on the value of assets under management at the end of the previous quarter and is payable within 30 days after the beginning of each following calendar quarter. Should the advisory agreement be terminated, the client will be charged a prorated fee in accordance with the number of days that have elapsed from the beginning of the quarter in which the agreement was terminated through the date of termination.

In addition to Advisor’s investment advisory fee(s), client may be assessed other fees by parties independent from Advisor. The client may also incur, relative to certain investment

products (such as mutual funds), charges imposed directly at the investment product level (e.g. advisory fees, administrative fees, and other fund expenses).

To the extent mutual funds are selected to fill components of the overall investment strategy, the Advisor may receive additional compensation in the form of 12b-1 fees. The Advisor will assess mutual fund share classes and reasonably attempt to select the share class with the lowest cost(s) available to the client in addition to being aligned with the client's risk tolerance and investment objectives.

In most cases, mutual fund companies offer multiple share classes of the same mutual fund. Some share classes of a fund charge higher internal expenses, whereas other share classes of a fund charge lower internal expenses. Institutional and advisory share classes typically have lower expense ratios and are less costly for a client to hold than Class A shares or other share classes that are eligible for purchase in an advisory account. Mutual funds that offer institutional share classes, advisory share classes, and other share classes with lower expense ratios are available to investors who meet specific eligibility requirements that are described in the mutual fund's prospectus or its statement of additional information. These eligibility requirements include, but may not be limited to, investments meeting certain minimum dollar amounts and accounts that the fund considers qualified fee-based programs. The lowest-cost mutual fund share class for a particular fund may not be offered through Titleist or made available by Titleist for purchase. Clients should never assume that they will be invested in the share class with the lowest possible expense ratio or cost.

Titleist urges clients to discuss with their advisor whether lower-cost share classes are available in their account. Clients should also ask their advisor why the particular funds or other investments that will be purchased or held in their managed account are appropriate for them in consideration of their expected holding period, investment objective, risk tolerance, time horizon, financial condition, amount invested, trading frequency, the amount of the advisory fee charged, whether the client will pay transaction charges for fund purchases and sales, whether clients will pay higher internal fund expenses in lieu of transaction charges that could adversely affect long-term performance, and relevant tax considerations. Your advisor may recommend, select, or continue to hold a fund share class that charges you higher internal expenses than other available share classes for the same fund.

Brokerage fees/commissions charged to client for securities trade executions may be billed to the client by the BD or custodian of record for the client account, not the Advisor. From time to time and as allowed by regulatory rule or law, Advisor or its representatives may receive commissions as a result of certain securities transactions effected on behalf of client, where such transactions are affected in connection with Advisor's advisory services provided to client. Any such commissions/fees are exclusive of, and in addition to compensation charged by Advisor.

Advisor is a FINRA registered BD. Through its registration as a BD, Advisor may offer general securities products, which may be offered separately from Advisor's investment advisory services. As a result of certain investment-related recommendations (or other investment advisory services) provided to its clients, Advisor may facilitate certain securities purchases or sales related thereto, on behalf of such client.

Advisor may, in its capacity as a BD, effect certain securities transactions that may have been recommended as part of its investment advisory services. Further, Advisor or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Advisor's compensation related to its investment advisory services.

Avocet Strategy Fees

Shorebird Capital, LP, a related Advisor to TAM, manages the Avocet Strategy offered to clients of TAM. The Strategy can be deployed in an existing customer's account or in a separate account. For these services, a two-percent (2%) fee is charged for the client's portion of assets that participate in this Strategy. This fee is in addition to the IAR and client's existing investment advisory fee agreement based on assets under management.

Please see the following example for illustrative purposes:

A client has assets under management of \$500,000 and invests \$50,000 in the Avocet Strategy in an existing advisory account or new advisory account. The respective advisory agreement between the Advisor and client indicates a one percent (1%), or \$5,000, annual advisory fee based on total assets under management. The portion of those assets in the Strategy, \$50,000, would incur an additional two percent (2%), or \$1,000, management fee charged by the Advisor to be paid to Shorebird Capital, LP for the management of the Strategy.

$\$6,000/\$500,000 = 1.2\%$ annual advisory fee.

Shorebird Avocet Fund, L.P. Fees

The Fund is currently being offered to investment advisory clients of Titleist Asset Management in addition to any public investor who have accounts at Charles Schwab or TD Ameritrade. The Fund is not limited to only Titleist Asset Management, Ltd. investment advisory clients. Neither the Advisor nor its IARs will be paid a commission for the sale of the Fund, but may include those assets in the Fund in the assets under management calculation, as agreed upon between the IAR and the client and as outlined in the client's respective advisory agreement. Prospective investors should refer to the Private Placement Memorandum for the Fund for a description of fees associated with investing in the Fund.

An advisory client will be charged an advisory fee as agreed upon in their specific advisory agreement with the Advisor in addition to any fees incurred by investing in the Fund.

From time to time, associated persons of Advisor may recommend that clients buy or sell securities or investment products that the Advisor also owns. In such circumstances, Advisor shall institute the following policies and procedures.

Curlew Strategy Fees

Shorebird Capital, LP, a related Advisor to TAM, manages the Curlew Strategy offered to clients of TAM. The Curlew Strategy can be deployed in an existing customer's account or in a separate account. For these services, a six tenths of a one percent (0.60%) fee is charged for the client's portion of assets that participate in Curlew Strategy. This fee is in addition to the IAR and client's existing investment advisory fee agreement based on assets under management.

Please see the following example for illustrative purposes:

A client has assets under management of \$500,000 and invests \$100,000 in the Curlew Strategy in an existing advisory account or new advisory account. The respective advisory agreement between the Advisor and client indicates a one percent (1%), or \$5,000, annual advisory fee based on total assets under management. The portion of those assets in the Strategy, \$100,000, would incur an additional six tenths of one percent (0.60%), or \$600, management fee charged by the Advisor to be paid to Shorebird

Capital, LP for the management of the Curlew Strategy.

$\$5,600/\$500,000 = 1.12\%$ annual advisory fee.

Firm Procedures

In order to implement Advisor's investment policy, the following procedures have been put into place with respect to Advisor and its associated persons:

- (1) If Advisor is recommending for purchase by any of its clients, any security, associated persons shall make best efforts to receive the best price for clients before effecting personal transactions in that security.
- (2) The Advisor's activities as a BD represent approximately thirty-five (35) percent of its overall business activities.
- (3) At the Advisor's discretion, Advisor may reduce advisory fees where both advisory fees and commissions are charged.

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

The Advisor does not participate in performance-based fees or side-by-side management.

Item 7: Types of Clients

The types of clients the Advisor generally provides investment advice to includes, but is not limited to, individuals, high net worth individuals, trusts, estates, corporate retirement plans, charitable organizations, corporations or businesses. The Advisor does not have a minimum account size requirement.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), the Advisor acknowledges that the Advisor is a fiduciary within the meaning of the Act and the ERISA client is a named fiduciary with respect to the control or management of the assets in the account. In each instance, the client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Advisor and the Advisor's principals, agents, and employees under those insured under that bond and will deliver the Advisor a copy of the governing plan documents. If the account assets for which the Advisor provides services represents only a portion of the assets of an employee benefit plan, client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

The Advisor reserves the right to decline to provide investment advisory services to any person or firm in its sole discretion and for any reason.

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

Methods of Analysis

The Advisor may use some or all of the following methods of analysis: Fundamental, Technical, Charting or Quantitative

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

The risk of fundamental analysis is that information obtained may be inaccurate and the analysis may not provide a correct estimate of earnings, which could potentially be the basis for a stock's value. If a stock's price adjusts rapidly to newly released information, fundamental analysis may not result in favorable performance.

Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to help predict future price movements based on price patterns and trends.

Charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

The risk of market timing based on technical analysis is that charts, inherently, may not accurately predict future price movements. Current prices of securities may reflect all information known about the security. Day to day changes in prices of securities may follow random patterns and not be predictable with any reliable degree of accuracy. This is the risk of technical analysis.

Quantitative Analysis - involves analyzing income statements, balance sheets, cash flows. Comparing current valuations with historical valuations and how those compare with other companies in the same industry. Generally, doesn't put much weight on the industry or sector, nor the trends of those sectors.

Investment Strategies

The Advisor provides numerous investment management styles and strategies, including large and small cap equity, international equity, fixed income, and a broad spectrum of mutual funds and exchange traded funds, either individually or in combination. Generally, the Advisor recommends and provides clients a diversified investment strategy incorporating domestic and international equities, fixed income, mutual funds, exchange-traded funds, unit investment trusts among other asset classes. The exact composition of recommended programs and investment strategies will be determined by the client's legal and tax considerations and greatly influenced by the client's liquidity needs and tolerance for risk.

Principal Risks

Each client should be aware that securities investing involves risk of loss and should be prepared to bear any such loss of that investment. We make no representation or guarantee that our services or methods of analysis can or will predict future results, opportunely identify market trends, or protect clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is not indicative of future results.

Interest-rate Risk – Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk - Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

Market Capitalization Risk - Market capitalization ("market-cap") refers to the total dollar market value of a company's outstanding shares. Market-cap is generally broken down into three categories:

- **Large-cap** - typically have a market-cap of \$10 billion or more. These large companies have usually been around for a long time, and they are major players in well-established industries.
- **Mid-cap** - generally have a market-cap of between \$2 billion and \$10 billion. Mid-cap companies are established companies that operate in an industry expected to experience rapid growth.
- **Small-cap** - Market-cap of between \$300 million to \$2 billion are generally classified as small-cap companies. These small companies could be young in age and/or they could serve niche markets and new industries. These companies are considered higher risk investments due to their age, the markets they serve, and their size.

Inflation Risk – This type of risk is the chance that future cash from an investment will not be worth as much due to inflation. Inflation is the increase in the price of goods and services, which causes purchasing power to erode.

Currency Risk – Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk – This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk – These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of loss than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk – Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product.

For example, U.S. Treasury Securities are highly liquid, while real estate properties are not.

Counterparty/Default Risk – This is the risk that a party to a contract will not live up to (or will default on) its contractual obligations to the other party to the contract.

High Yield Risk – Debt obligations that are rated below investment grade and unrated obligations of similar credit quality (commonly referred to as “junk” or “high yield” bonds) may have a substantial risk of loss. These obligations are generally considered to be speculative with respect to the issuer’s ability to pay interest and principal when due. These obligations may be subject to greater price volatility than investment grade obligations, and their prices may decline significantly in periods of general economic difficulty or in response to adverse publicity, changes in investor perceptions or other factors. These obligations may also be subject to greater liquidity risk.

Credit Risk – If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline and an account’s value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly “junk” or “high yield” bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

Financial Risk – Excessive borrowing to finance a business’ operations increases the risk of profit loss, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Correlation Risk – This is the risk that the actual correlation (a statistical measure of how two or more variables move in relation to each other) between two assets (or variables) will be different than the correlation that was assumed or expected. Differences between the actual and expected correlation may result in a portfolio being riskier than was anticipated.

Valuation Risk – This is the risk that an asset is improperly valued in relation to what would be received upon its being sold or redeemed at maturity.

Tax Risk – This is the risk that tax laws may change and impact the underlying investment premise or profitability of an investment.

Cybersecurity Risk – Intentional cybersecurity breaches include unauthorized access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of customer data or funds, the inability to access electronic systems (“denial of services”), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause an investment fund, the advisor, a manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss.

Technology Risk – The Advisor must rely in part on digital and network technologies to conduct its business and to maintain substantial computerized data relating to client account activities. These technologies include those managed by the Advisor as well as those owned or managed by others, such as financial intermediaries, pricing vendors, transfer agents, and other parties used by the Advisor to provide services and maintain its business operations. These technology systems may fail to operate properly or become disabled as a result of events or circumstances wholly or partly beyond the Advisor’s or its service providers’ control. Technology failures, whether deliberate or not, including those arising from use of third-party service providers or client usage of systems to access accounts, could have a material adverse effect on our business or our clients and could result in, among other things, financial loss, reputational damage, regulatory penalties or the inability to conduct business.

Private Fund Risk – We may recommend that certain clients invest in privately placed collective investment vehicles (*e.g.*, the Fund). The investment managers of this Fund has broad discretion in selecting the investments. There are few limitations on the types of securities or other financial instruments, which may be traded, and no requirement to diversify. There are numerous other risks in investing in these securities. Clients should consult the Funds private placement memorandum and/or other documents explaining such risks prior to investing.

Management Risk – Titleist actively manages portfolios, and the value of the accounts may be reduced if Titleist pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers in which the accounts invest.

Shorebird Avocet Fund, LP – Prospective investors should refer to the Private Placement Memorandum for the Fund for a description of the risks associated with investing in the Fund.

Item 9: Disciplinary Information

The Firm has had two disciplinary events since its inception in 2003. Details may be found on [FINRA’s BrokerCheck®](#) system or the [Investment Advisor Public Disclosure](#) database.

You may access such information by searching the Company name, CRD or SEC number(s).

Titleist Asset Management, Ltd.
SEC number: 801-80959
CRD number: 126136

If you have any questions regarding accessing the system or database, please contact the Firm’s Compliance Department.

Titleist Asset Management, Ltd.
Compliance Department
777 E. Sonterra Blvd., Suite 330
San Antonio, Texas 78258
lhuntley@tamgmt.com
Phone: 210.775.4335
Fax: 210.579.7177

Additional investor resources are listed below:

U.S. Securities and Exchange Commission (SEC)

SEC.gov

Investor.gov

North American Securities Administrators Association (NASAA)

[NASAA Site](#)

[State Regulators](#)

Financial Industry Regulatory Authority (FINRA)

[FINRA Site](#)

Securities Investor Protection Corporation (SIPC)

[SIPC Site](#)

Item 10: Other Financial Industry Activities and Affiliations

The Advisor is also registered as a BD, Member FINRA & SIPC, which conducts business with both retail and institutional clients. The Advisor is also a Registered Investment Advisor with the United States Securities and Exchange Commission. On a fully disclosed basis, the Advisor introduces its business into the following custodial and clearing firms:

- Raymond James Financial Services, Ltd.
- T.D. Ameritrade Institutional
- Charles Schwab & Co, Inc.
- Axos Clearing, LLC

The majority of TAM's IARs are also registered securities agents of the BD. In this capacity these dually registered advisors/agents may recommend securities or other products and receive normal securities transactions commissions. Some of our IARs who are properly licensed may also be insurance agents appointed with various insurance companies. In these capacities they may receive insurance commissions for insurance products purchased by customers. Clients of those advisors/agents/insurance agents are under no obligation to act upon any recommendations, or effect any transactions through them unless they decide to follow the recommendations.

The Advisor may have IARs that have their own legal business entity or entities. The client should understand that only the Individual Advisor Representative is registered with the Firm, and that no affiliation exists between the legal business entity or entities of the IAR, and either the Registered Investment Advisor, or the Custodian. Customers working with these IARs will be dealing solely through TAM with respect to their advisory services and transactions. Other services or businesses provided by the IAR are disclosed in the Form ADV Part IIB Brochure Supplement.

TAM nor its IARs are registered with any commodities or futures organizations.

TAM is a Registered Investment Advisor with the SEC. Shorebird Capital, LP is registered with the SEC as a related adviser under rule 203A-2(b) that is under common control with TAM. Due to this relationship, certain conflicts of interest may exist.

Mr. Byron L. Fields is a Managing Partner of the Advisor. Mr. Fields is also registered with and a limited partner of the related advisor, Shorebird Capital, LP and member of its General Partner, Shorebird Capital GP, LLC. Mr. Fields is the Co-Manager of the Curlew SMA. Mr. Fields has a controlling stake in the Advisor, Shorebird Capital, LP and its General Partner.

Mr. Joe-Ben O'Banion is a Managing Partner of the Advisor. Mr. O'Banion also has a minority, non-controlling interest in the related advisor's General Partner, Shorebird Capital GP, LLC. Mr. O'Banion has no management duties, responsibilities or otherwise for Shorebird Capital, L.P or its General Partner.

Mr. Russell C. King is a Partner of the Advisor. Mr. King also has a minority, non-controlling interest in the related advisor's General Partner, Shorebird Capital GP, LLC. Mr. King has no management duties, responsibilities or otherwise for Shorebird Capital, L.P or its General Partner.

Mr. Austin Graff is the sole Member of Shorebird Avocet Fund GP, LLC, the General Partner

to Shorebird Avocet Fund, LP. Mr. Graff is the Portfolio Manager of Shorebird Avocet Fund, LP. Shorebird Capital, LP serves as the Registered Investment Advisor for Shorebird Avocet Fund, LP. Mr. Graff is the Co-Manager of the Curlew SMA. Mr. Graff is registered with both TAM and the related advisor as an IAR. Mr. Graff does not have a controlling stake in either Advisor.

Mr. Carl Lance Huntley is the Chief Compliance Officer of the Advisor and its affiliated broker dealer, Titleist Asset Management, Ltd.,. Mr. Huntley is also the Chief Compliance Officer of the related advisor,. Mr. Huntley has no controlling interest in either entity.

The above identified members of Shorebird Capital GP, LLC are IARs and considered fiduciaries that are legally and ethically bound to act in the client's best interest. Fiduciaries must: Put their clients' best interests before their own, seeking the best prices and terms; act in good faith and provide all relevant facts to clients; avoid conflicts of interest and disclose any potential conflicts of interest to clients; do their best to ensure the advice they provide is accurate and thorough; avoid using a client's assets to benefit themselves, such as by purchasing securities for their own account before buying them for a client.

Due to the related advisor status between TAM and Shorebird Capital, LP certain conflicts of interest may exist between these companies due to the potential incentives that exist in compensation arrangements, for example:

Conflicts of Interest regarding the Private Investment Fund:

Shorebird Capital GP, LLC, the General Partner of Shorebird Capital, LP, owns a twenty-five percent (25%) interest in Shorebird Avocet Fund GP, LLC. TAM and members of Shorebird Capital GP, LLC are incentivized when any client invests in Shorebird Avocet Fund, LP due to this ownership structure. Since the Fund is available to the public, the investor does not have to be a client of TAM. TAM and its members of Shorebird Capital GP, LLC may solicit their advisory clients to invest in the Fund. In these situations, the members of the General Partner may face a conflict of interest due to this compensation structure.

Conflicts of Interest regarding the Avocet Strategy:

Shorebird Capital GP, LLC, the General Partner of Shorebird Capital, LP, owns a twenty-five percent (25%) interest in Shorebird Avocet Fund GP, LLC. TAM and members of Shorebird Capital GP, LLC are incentivized when any client invests in Shorebird Avocet Fund, LP due to this ownership structure. Shorebird Capital, LP manages the Avocet Strategy offered to clients of TAM. For these services, a fee is charged for the client's portion of assets that participate in this Strategy. This fee is in addition to the IAR and client's existing investment advisory fee agreement based on assets under management. TAM and its members of Shorebird Capital GP, LLC may solicit their clients to invest in the Avocet Strategy.

IARs of TAM generally have limited trading authorization or limited discretionary authority for their clients' accounts. This is accomplished by the client acknowledging and signing a limited trading authorization form which is maintained and recorded on the Firm's books and records. IARs have the ability to use limited trading authorization or limited

discretionary authority for investment in the Avocet Strategy. Investors in the Strategy should consult their IAR and perform their own due diligence of the Strategy for more in depth understanding of the Strategy.

To mitigate potential conflicts, both firms have established policies which establish written objective criteria to evaluate each affiliate agreement and the compensation arrangements of such agreements, including the potential impacts to clients of both firms. Investors in the Fund should refer to the Private Placement Memorandum of the Fund for a description of additional potential conflicts of interest.

TAM and Shorebird Capital, LP have entered into a shared services agreement whereby individuals associated with the Advisor and/or Shorebird devote time and resources to each other. Under the shared services agreement, the affiliates also share office space, back office support, personnel, and vendor systems.

Item 11: Code of Ethics:

Participation or Interest in Client Transactions and Personal Trading

The Advisor and its associated persons are subject to a Code of Ethics that imposes certain procedures, disclosures, and/or restrictions designed to avoid conflicts of interest between Advisor and its clients, as enforced through one or more of the following provisions:

- Review of all securities transactions in which they have a direct or indirect interest except transactions in government securities, banker's acceptance notes, bank certificates of deposit ("CD"), commercial paper and mutual fund shares.
- Request duplicate confirms or statements be sent to Advisor's compliance officer.
- Provide a monthly or quarterly statement of transactions to Advisor's compliance officer.

An Advisor is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an Advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Advisor has a fiduciary duty to all clients.

This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Advisor requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the advisor's Code of Ethics. Advisor has the responsibility to make sure that the interests of all clients are placed ahead of Advisor's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Advisor and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of advisor's Code of Ethics. However, if a client or a potential client wishes to review advisor's Code of Ethics in its entirety, a copy will be provided promptly upon written request.

Advisor or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that the firm recommends or acquires for the accounts of its clients, and may engage in transactions that are the same as or different than transactions recommended to or made for client accounts. In order to minimize this conflict of interest, securities recommended by Advisor, with the exception of the Fund, are widely held and publicly traded. In addition, in accordance with its fiduciary duty to clients, Advisor and its associated persons will place client interests ahead of their own interests.

The receipt of 12B-1 fees by the Advisor, creates a conflict of interest because many mutual funds offered a variety of share classes, including some that have a lower-cost share classes than those that pay 12b-1 fees. For example, when an advisory client is eligible for a non-12b-1 fee share class, it generally is in the client's best interest to invest in this share class rather than a 12b-1 fee share class of the same fund because the clients' returns will not be reduced by 12b-1 fees. In order to ensure that the specific client fully understands this conflict, the Advisor will explain to each specific client the various share classes it is recommending, as well as the reason(s) for recommending share-classes that pay 12b-1 fees.

Reports of personal transactions in securities by Advisor personnel are reviewed by the firm's compliance department no less than quarterly, but more frequently if required.

Item 12: Brokerage Practices

Since the Advisor is also a BD entity, it is probable that IARs will suggest that clients identify Advisor's affiliated BD of record in reference to their investment advisory account. Advisor will, however, allow clients to select the BD of record that most suits them, should a client have a request for a BD in contravention to Advisor. Whereby Advisor will attempt to negotiate the transaction fees on behalf of a client that has selected another broker-dealer of record, Advisor cannot assure the client will be charged fees that are equal to or lower than fees charged by Advisor and/or its custodian/clearing firm.

Factors which Advisor considers in recommending any other BD to clients shall include that firm's financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by BDs to which Advisor may direct its clients' securities/brokerage transactions or services may vary. These fees are exclusive of, and in addition to, Advisor's investment management fee.

The Advisor's IARs may also be registered representatives of a BD and may receive compensation in the form of commissions for each transaction that is processed through a BD with which an IAR is registered.

In return for effecting securities transactions through another BD, Advisor may receive certain investment research products and/or services that assist the Advisor in its investment decision-making process for the client. All such transactions shall be effected in compliance with Section 28(e) of the Securities Exchange Act of 1934.

The brokerage commissions and/or transaction fees charged by Advisor or other designated BD are exclusive of, and in addition to, Advisor's investment advisory fee. Although the commissions (related to securities transactions) paid by Advisor's clients shall comply with the Advisor's duty to obtain best execution, a client may pay a commission that is higher than another qualified BD might charge to effect the same transaction where the Advisor determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Advisor's selection or recommendation of BDs to clients is not contingent upon whether or not Advisor or a related will receive client referrals as a result of such selection or recommendation.

Advisor does not direct brokerage; however, Advisor may, at its discretion, accept a client request to direct transaction executions through a specified BD.

Advisor may aggregate the purchase or sale of securities for various client accounts. Some of the conditions surrounding the Advisor's decision to aggregate securities transactions may include, but are not limited to, overall market conditions, earnings reports, advance or decline in position, etc.

As a fiduciary, we have the responsibility to effect orders correctly, promptly and in the best interests of our clients. In the event any error occurs in the handling of any transactions, due to Advisor's actions, or inaction, or actions of others, our policy is to assess each trade error on a case-by-case basis.

As described in Item 10, Shorebird Capital, LP is a related Advisor to TAM. Both TAM and the related Advisor may engage in trading the same underlying securities in block transactions. In such cases, the Advisor and related Advisor have policies and procedures in place to mitigate, to the best of its ability, conflicts of interest.

Item 13: Review of Accounts

Account reviews are provided in connection with advisory accounts. The Advisor's representatives will contact clients at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. The underlying investments held in client accounts are reviewed on a more frequent basis. Triggering factors for changes to underlying portfolios include the relative valuation changes between asset classes, valuation of the individual security, or economic or political changes that change the perceived risk/reward ratio of a sector or sub-sector of the global or national economy. Portfolios are reviewed on an ongoing basis.

Stand-alone financial planning services terminate upon completion of such services and full payment of all fees due. Therefore, no reviews are conducted for these clients. If clients elect to have a review and update to an original consultation, additional fees may be charged and clients may be required to sign a new client agreement.

Clients will receive account statements directly from the custodian. Statements will be delivered no less than quarterly but as frequent as monthly. In addition, Advisor may provide quarterly newsletters covering general financial and investment topics, explaining current views of the global economies and factors driving investment decisions.

Item 14: Client Referrals and Other Compensation

The Advisor does not have arrangements with someone who is not a client that provides an economic benefit to the Advisor for providing investment advice or other advisory services to its clients.

Advisor does not compensate any person, directly or indirectly, for client referrals.

Item 15: Custody

Pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940, the Advisor is viewed for regulatory purposes as having custody of client assets. While the Advisor does not maintain physical possession of any client funds or securities, it is deemed to have custody of client assets because, among other things, it has the authority to deduct advisory fees from the clients' accounts. Custody of the clients' assets are maintained with one or more of the qualified custodians listed below.

- Raymond James Financial Services, Ltd.
- T.D. Ameritrade Institutional, a Division of TD Ameritrade, Inc.
- Charles Schwab & Co, Inc.
- Axos Clearing, LLC

The Fund uses Interactive Brokers as its custodian.

Clients will receive account statements directly from the custodian. Statements will be delivered no less than quarterly but as frequent as monthly.

Item 16: Investment Discretion

With the client's authorization as provided in the custodial account forms and the Advisor's Agreement, the Advisor will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. The Advisor will not have full power of attorney nor will the Advisor ever have authority to withdraw funds or to take custody of investor funds or securities other than the ability to deduct advisory fees via investor's qualified custodian and only with client authorization.

It is expected that investments in the Fund will be executed on a non-discretionary basis.

Item 17: Voting Securities

Advisor does not perform proxy-voting services on a client's behalf. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Upon request from the client, Advisor may provide limited clarifications of the issues presented in the proxy-voting materials based on Advisor's understanding of issues presented in the proxy-voting materials. The Advisor has the ability to recommend proxy votes based on its understanding of issues presented in the proxy-voting materials. However, the client will have the ultimate responsibility for making all proxy-voting decisions.

Proxy is voted for securities held in the Fund's portfolio.

Item 18: Financial Information

Advisor does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients. Advisor has not been the subject of a bankruptcy petition at any time during the past ten years. Advisor is not organized as a sole proprietorship. Advisor does not require or solicit prepayment of investment advisory services of more than \$1,200 in fees per client, six months or more in advance.

Item 19: Additional Information

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