

# TITLEIST ASSET MANAGEMENT, LTD.

Form CRS Customer Relationship Summary

November 18, 2021

## Introduction

Titleist Asset Management, Ltd. (“TAM”) is registered with the Securities and Exchange Commission (“SEC”) as a broker-dealer, and is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation. Titleist Asset Management, Ltd. (“TAM”) is also registered with the SEC as an investment advisor. Brokerage and investment advisory services and fees differ and it is important for you to understand these differences. Free and simple tools are available to you at <https://www.investor.gov/CRS> which also provides educational materials about broker-dealers, investment advisors, and investing.

## What investment services and advice can you provide me?

### *Broker-Dealer Services* **Brokerage Accounts**

**Response:** The Firm offers brokerage service to retail investors, high net worth investors, small businesses and IRA and 401(k) accounts. Our services include purchasing and selling equities, fixed income, options, variable annuities and mutual funds. All recommendations are based upon a client’s investment profile, risk appetite, investment time horizon, and other criteria. The Firm does not accept full or limited trading authorizations on client’s accounts, nor do they manage them on any discretionary basis. The Firm may make a recommendation to a client but all investment decisions are made by the client. The Firm does not monitor accounts other than to make recommendations to the client. The minimum amount to open an account is \$100,000.00, but we can make exceptions at our discretion. Other Firms could offer a wider range of choices, some of which might have lower costs. For more information about the Firm’s activities, products, and services, please see [www.tamgmt.com](http://www.tamgmt.com).

### *Investment Adviser Services* **Advisory Accounts**

**Response:** The Firm provides investment advice to individuals, high net worth individuals, trusts, estates, corporate retirement plans, charitable organizations, corporations or businesses. The Firm utilizes common and preferred stocks, mutual funds, ETFs, annuity sub-accounts, warrants, rights, bonds, municipal securities, options and government bonds, in implementing their strategies. The Advisor does not have a minimum account size requirement. When discretionary authority is granted by a client, and evidenced in the specific client agreements, the Firm can buy or sell securities in the clients account without the client’s prior authorization. Clients may impose restrictions on investing in certain securities or types of securities. The Firm also uses offers independent third-party professional money managers (“PMM”) to manage client accounts on a discretionary basis. The firm sub-advises the TrueShares Low Volatility Equity Income ETF (DIVZ). In addition, TAM offers to its advisory clients the Shorebird Avocet Fund, a private fund that is managed by an affiliate. The Firm will not use discretion when purchasing this Fund for its advisory clients, meaning that each client will be required to execute the fund specific required documents. The Avocet Strategy is also available outside of a private fund investment. The Firm also sponsors a wrap fee program, which includes all transaction and other fees in the annual advisory fee. The Firm monitors advisor accounts on an on-going basis.

**For additional information** please see TAM's ADV Part 2A, Items 4, 7 and 8, which can be found at <https://adviserinfo.sec.gov/firm/brochure/126136> or from the Firm's website, [www.tamgmt.com](http://www.tamgmt.com).

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

### What fees will I pay?

**Response:** There is no fee for opening or having an active account open. If you open a brokerage account, you will pay us a **transaction-based fee**, generally referred to as a commission, every time you purchase or sell an investment. The Firm earns fees from executing transactions as agent for its clients. The Firm also earns a markup/markdown on transactions in which it acts in a principal capacity. The Firm has a minimum commission of \$10.00 regardless of the size of the transaction. The Firm earns commissions from the sale of mutual funds in the form of upfront commission and for certain products, a trailing commission, (commonly known as a 12b-1 fee). In addition, the Firm charges for various non-trade related activities, such as wire transfers and other additional services that incur a pass-through fee. Please refer to the Firm's fee schedule, which is included in the new account paperwork. For more information, please refer to the fees and charges information included with the Firm's New Account package. All commissions and some fees are negotiable and subject to change. You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce the amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying. Please refer to the Firm's website, [www.tamgmt.com](http://www.tamgmt.com), for additional information regarding our corporate philosophy.

**Response:** TAM's management fees are based on the value of assets managed, and range from 0.50% to 1.50% annually. The Firm may also charge a flat fee for our services and all fees are negotiable. PMM's charge additional fees ranging from 0.00% to 2.00% of the clients' assets, and may require a minimum account size. Their fees may not be negotiable. You may incur brokerage and other costs in connection with the execution and/or custody of your accounts, in which TAM does not share in. Mutual funds may charge fees (such as administrative and 12b-1 fees) and are described in the respective prospectus. If your brokerage transactions are placed with Trade-PMR, there is a minimum ticket charge for each transaction, which we believe is reasonable, TAM does not share in. For any investment in the Shorebird Avocet Fund, or the Avocet Strategy, an investor will be charged an annual fee ranging from 0.0% to 2.00%, and this fee is in addition to the Firm's other advisory fees. Prospective investors should refer to the Private Placement Memorandum for the Fund for a description of fees associated with investing in the Fund. The Firm typically charges \$250/hour fees for financial planning services and may waive or reduce any fees if you purchase recommended products through us or one of our affiliates. You will pay fees and costs whether you make money or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you will be paying.

**For additional information** please see TAM’s ADV Part 2A, Item 5, which can be found at <https://adviserinfo.sec.gov/firm/brochure/126136> or from the Firm’s website, [www.tamgmt.com](http://www.tamgmt.com).

**Conversation Starter.** Ask your financial professional – “Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?”

**What are your legal obligations to me when providing recommendations as my broker-dealer or when acting as my investment advisor? How else does your firm make money and what conflicts of interest do you have?**

**Response:** *When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. A conflict exists when we recommend a brokerage account versus an advisory account, in that you may pay more in commissions than you may pay in advisory fees. Another example of a potential conflict of interest is that we may recommend the purchase of a mutual fund that not only pays us an up-front commission, but may also pay us an on-going commission (commonly referred to as a 12b-1 fee.) These and other conflicts are mitigated through the enforcement of our written supervisory procedures, which require that we act in the best interest of all clients, regardless of the size of their assets with us.*

**Response:** *When we provide you with a recommendation as your broker-dealer or act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the recommendations and investment advice we provide you. Here are some examples to help you understand what this means. The Firm is also registered as a broker-dealer and the Firm’s advisors may also be registered to act in a brokerage capacity, in which case they may recommend brokerage accounts or transactions which could result in you paying higher fees and commissions. Certain advisers may receive insurance commissions for insurance products recommended to, and purchased by, clients. Clients are under no obligation to purchase any product recommended by their adviser. The manager of the Avocet Fund and strategy is under common control with the Firm, which creates certain conflicts of interest, such as the receipt of additional compensation from clients who invest in them. TAM’s advisers can use their discretion to invest client monies into the Avocet Strategy, which also creates a conflict of interest. Numerous other real, perceived or potential conflicts of interest exist. Please refer to the firm’s ADV Part 2A for a description of these conflicts, and TAM’s mitigation efforts.*

**Conversation Starter.** Ask your financial professional: How might your conflicts of interest affect me, and how will you address them?

**For additional information** please see TAM’s ADV Part 2A, Items 10, 11, 12 and 14, which can be found at <https://adviserinfo.sec.gov/firm/brochure/126136> or from the Firm’s website, [www.tamgmt.com](http://www.tamgmt.com).

**How do your financial professionals make money?**

**Response:** Compensation paid to your registered representative is based upon the total commissions generated by the representative. This creates a conflict in that they may recommend products that, if purchased/sold, may result in them receiving higher compensation. This also creates a conflict because this creates an incentive to recommend transactions in your account in excess of those suitable based upon your investment objectives, risk tolerance and other factors. We mitigate this conflict by requiring that a principal review and approve all transactions executed in your account. In addition, senior management's compensation is not based upon the amount of commissions generated by them or those over whom they have supervisory responsibilities.

**Response:** TAM's advisers are paid a percentage of the advisory and other fees generated from a clients' account(s). This compensation structure may create conflicts of interest in that the adviser may recommend that you place more assets in an advisory account, rather than a brokerage account with us. The majority of the Firm's supervisors are paid a salary which is based upon overall Firm profitability. The Firm manages these conflicts through its written supervisory procedures, Code of Ethics and the enforcement of regulatory rules and regulations.

**Do you or your financial professionals have legal or disciplinary history?**

**Response:** Yes, for more information, visit <https://www.investor.gov/CRS> for a free and simple search tool to research us and our financial professionals.

**Conversation Starter.** Ask your financial professional – As a financial professional, do you have any disciplinary history? For what type of conduct?

**Additional Information**

For additional information about our services, or if you would like up-to-date information or a copy of this relationship summary, please contact Enrique Araiza at (210) 942-1888 or e-mail him at [earaiza@tamgmt.com](mailto:earaiza@tamgmt.com)

**Conversation Starter.** Ask your financial professional – Who is my primary contact person? Is he or she a representative of an investment-advisor or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?