



Titleist Asset Management, Ltd. ADV IIA  
Client Brochure

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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](mailto: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](http://www.adviserinfo.sec.gov).

January 28, 2021  
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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.

Since our last annual updating amendment, this brochure has been amended to disclose the following material changes:

- On 1/28/21 Titleist Asset Management, Ltd. began serving as sub-adviser for TrueShares Low Volatility Equity Income ETF (DIVZ).

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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.

All assets being serviced by Titleist Asset Management, Ltd. including both RIA and BD total \$831,194,681. At the present time, the investment advisory assets under management are \$685,323,147. 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, Ltd. through its Broker-Dealer. The brokerage assets being serviced total \$145,871,534. 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](http://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.

## **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 and follow firm policies and procedures below.

## **Titleist Dividend Growth Strategy**

TAM offers the Titleist Dividend Growth Strategy which seeks to deliver long-term total returns and dividend income for invested customers. This strategy may be deployed in an existing customer's account or in a separately managed account. We believe meaningful total returns can be generated by investing in a focused portfolio of well-established, dividend paying stocks. Our investment analysis aims to identify companies with stable business models, attractive valuations and the ability and willingness to pay dividends. Importantly, we perform deep fundamental analysis, including building financial models and reviewing financial statements, to assess a company's ability to generate cash flows and pay dividends. The Titleist Dividend Growth Strategy may periodically maintain all or a portion of its assets in money market instruments and other cash equivalents. Titleist Asset Management, LTD. allows its IARs to white label the strategy offered by TAM.

For further clarification on fees assessed to clients who participate in the Avocet Strategy or the Titleist Dividend Growth 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."

## **Titleist Dividend Growth Strategy Fees**

The Strategy is currently being offered only to investment advisory clients of Titleist Asset Management, Ltd. who have accounts at Charles Schwab, TD Ameritrade or Raymond James. Neither the Advisor nor its IARs will be paid a commission for the sale of the Strategy, but may include those assets in the Strategy 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.

Customers invested in the Titleist Dividend Growth Strategy will be charged under the following annualized fee structure:

First \$100,000 invested assets are billed at 0.60%

The next \$400,000 invested assets are billed at 0.55%

Invested assets over \$400,000 are billed at 0.50%

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 and follow firm policies and procedures below.

## **Private Investment Funds**

Austin Graff is a Chartered Financial Analyst and manages the strategies referenced above. Previously, he was a portfolio manager at PIMCO where he co-managed similar strategies to those referenced here. Prior to his service at PIMCO, he was an investment banker at Goldman Sachs. He also has 15 year of investment experience and holds an MBA and undergraduate degree from Purdue University.

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.

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.

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.

### **TrueShares Low Volatility Equity Income ETF (DIVZ)**

Titleist Asset Management, Ltd. has entered into a sub advisory agreement to serve as sub-adviser to TrueShares Low Volatility Equity Income ETF (DIVZ), (the "Fund"). TrueMark Investments, LLC will serve as investment adviser to the Fund. The fund has selected Jordan C. Waldrep and Austin Graff, as the portfolio managers to the fund. Jordan C. Waldrep, CFA, is Chief Investment Officer for the Adviser, TrueMark Investments, LLC and Austin Graff, CFA, is Co-Chief Investment Officer for the Sub-Adviser.

### **Principal Investment Strategy**

The Fund is an actively-managed exchange-traded fund ("ETF") that seeks to achieve its investment objective by purchasing 25-35 stocks of companies that pay dividends and expect to grow the dividends over time and are trading at attractive valuations at the time of the investment sub-adviser, Titleist Asset Management, Ltd. (the "Sub-Adviser"), believes dividend paying companies tend to be more established businesses with high cash flow, stable revenue streams, and more disciplined capital reinvestment programs which may, in



turn, experience lower volatility relative to the overall equity market.

The Sub-Adviser will focus on companies whose stock is listed on a U.S. exchange with market capitalizations greater than \$8 billion, but may include companies with market capitalizations of less than \$8 billion if their dividend yields are above the market average. The Sub-Adviser will select companies for the Fund that, in the Sub-Adviser's determination, provide the best combination of dividend yield with potential for dividend growth and are currently under-valued in the market. Under normal circumstances, at least 80% of the Fund's net assets, plus borrowings for investment purposes, will be invested in equity securities, including common stocks (or corresponding American Depositary Receipts ("ADRs")).

The Sub-Adviser makes its initial identification of potential portfolio securities based on its assessment of a company's ability and commitment to sustain and grow its dividends. The Sub-Adviser seeks to identify such companies by utilizing a combination of quantitative and qualitative indicators of the company's financial position, growth opportunities, historical payouts, and management commentary, as well as the competitive landscape.

The Sub-Adviser will then review the current market valuation of these companies which the Sub-Adviser believes are under-valued. The Sub-Adviser first identifies "high quality companies," which are generally defined as companies with a sustainable competitive advantage, offering stable and growing free cash flows, and quality management teams that have the capital discipline to distribute dividends to shareholders. The Sub-Adviser then selects companies whose stock is trading at a valuation that it believes offers an opportunity to generate above average returns over time. The Sub-Adviser utilizes a variety of metrics (e.g., price compared to earnings ratio, market capitalization compared to book value, free cash flow yield, etc.) in the valuation process and seeks to identify companies that are attractively priced both in absolute terms and relative to their peers with a preference of companies with higher free cash flow.

The Fund is considered to be non-diversified, which means that it may invest more of its assets in the securities of a single issuer or a lesser number of issuers than if it were a diversified fund.

## **Wrap Fee**

The Adviser is the sponsor for a wrap fee program paying for trade costs. The Adviser provides clients the option of participating in wrap or non-wrap fee arrangements. The wrap program is more advantageous to those clients that have more aggressive investment objectives and typically will have more active trading in their account(s). Refer to the ADV Part 2, Appendix 1, Wrap Fee Brochure for a full description of services and fees.

**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 (i.e. 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 Broker-Dealer ("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.

### **Sub-Advisory Fees**

TAM will be compensated by TrueMark Investments, LLC (TrueMark) for sub-advisory services. TAM is entitled to receive a fee paid by TrueMark, which is based on Net Profits of the ETF (total management fees received by the ETF Advisor after fund expenses). Net Profits will be calculated at the end of each month based on information provided by the NYSE and payments will be distributed based on the grid below.

Definitions. For purposes hereof the following terms shall have the following meaning:

“ETF Adviser’s Fee” means the Fund’s management fee as stated in the Fund’s prospectus of 0.65%,

“Net Profit” means, for any fiscal period, (A) the total ETF Adviser’s Fees received by the ETF Adviser from the Fund during that period, less (B) the cumulative direct expenses incurred or paid by the ETF Adviser during that period in relation to the Fund, which expenses include, without limitation: expense waivers and reimbursements; commissions; legal, administrative and custodial expenses; NTF/platform/omnibus fees; filing and registration fees; proxy solicitation expenses; taxes; interest.

\*\* “AUM” represents Net Daily Average Assets Under Management.

Net Daily Average AUM	Titleist Profit Percentage	TrueMark Profit Percentage
< \$75 Million	75%	25%
\$75 Million < \$150 Million	65%	35%
> \$150 Million	50%	50%

\*Titleist will be entitled to 75% of the ETF Advisor fees, 0.65% of AUM, generated on any proprietary AUM verifiably derived from Titleist regardless of the AUM of the Fund.

ETF Advisor fee arrangements may create an incentive for us to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities. We have procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **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 twenty-percent (20%) 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, opportunistically 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 have 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.



## ***TrueShares Low Volatility Equity Income ETF (DIVZ) - Principal Investment Risks***

The principal risks of investing in the Fund are summarized below. The principal risks are presented in alphabetical order to facilitate finding particular risks and comparing them with those of other funds. Each risk summarized below is considered a “principal risk” of investing in the Fund, regardless of the order in which it appears. As with any investment, there is a risk that you could lose all or a portion of your investment in the Fund. Some or all of these risks may adversely affect the Fund’s net asset value (“NAV”), trading price, yield, total return and/or ability to meet its objective. The following risks could affect the value of your investment in the Fund:

**Depository Receipts Risk.** American Depositary Receipts (“ADRs”) involve risks similar to those associated with investments in foreign securities, such as changes in political or economic conditions of other countries and changes in the exchange rates of foreign currencies. ADRs listed on U.S. exchanges are issued by banks or trust companies, and entitle the holder to all dividends and capital gains that are paid out on the underlying foreign shares.

**Dividend Paying Security Risk.** Securities that pay high dividends as a group can fall out of favor with the market, causing these companies to underperform companies that do not pay high dividends. Also, companies owned by the Fund that have historically paid a dividend may reduce or discontinue their dividends, thus reducing the yield of the Fund.

**Equity Market Risk.** Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. These investor perceptions are based on various and unpredictable factors including: expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction; and global or regional political, economic and banking crises. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer because common stockholders, or holders of equivalent interests, generally have inferior rights to receive payments from issuers in comparison with the rights of preferred stockholders, bondholders, and other creditors of such issuers.

**ETF Risks.** The Fund is an ETF and, as a result of its structure, it is exposed to the following risks:

◦ *Authorized Participants (“APs”), Market Makers, and Liquidity Providers Concentration Risk.* The Fund has a limited number of financial institutions that may act as APs. In addition, there may be a limited number of market makers and/or liquidity providers in the marketplace. To the extent either of the following events occur, Shares may trade at a material discount to NAV and possibly face delisting: (i) APs exit the business or otherwise become unable to process creation and/or redemption orders and no other APs step forward to perform these services, or (ii) market makers and/or liquidity providers exit the business or significantly reduce their business activities and no other entities step forward to perform their functions.

◦ *Costs of Buying or Selling Shares.* Due to the costs of buying or selling Shares, including brokerage commissions imposed by brokers and bid/ask spreads, frequent trading of Shares may significantly reduce investment results and an investment in Shares may not be advisable for investors who anticipate regularly making small investments.

◦ *Shares May Trade at Prices Other Than NAV.* As with all ETFs, Shares may be bought and sold in the secondary market at market prices. Although it is expected that the market price of Shares

will approximate the Fund's NAV, there may be times when the market price of Shares is more than the NAV intra-day (premium) or less than the NAV intra-day (discount) due to supply and demand of Shares or during periods of market volatility. This risk is heightened in times of market volatility, periods of steep market declines, and periods when there is limited trading activity for Shares in the secondary market, in which case such premiums or discounts may be significant.

◦*Trading.* Although Shares are listed for trading on the CBOE BZX Exchange, Inc. (the "Exchange") and may be traded on U.S. exchanges other than the Exchange, there can be no assurance that Shares will trade with any volume, or at all, on any stock exchange. In stressed market conditions, the liquidity of Shares may begin to mirror the liquidity of the Fund's underlying portfolio holdings, which can be significantly less liquid than Shares.

**Management Risk.** The Fund is actively-managed and may not meet its investment objective based on the Adviser's and Sub-Adviser's success or failure to implement investment strategies for the Fund.

### **Market Capitalization Risk**

◦*Large-Capitalization Investing.* The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion. Large-capitalization companies may also be unable to respond quickly to new competitive challenges, such as changes in technology and consumer tastes.

◦*Mid-Capitalization Investing.* The securities of mid-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large-capitalization companies. The securities of mid-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large capitalization stocks or the stock market as a whole.

◦*Small-Capitalization Investing.* The securities of small-capitalization companies may be more vulnerable to adverse issuer, market, political, or economic developments than securities of large- or mid-capitalization companies. The securities of small-capitalization companies generally trade in lower volumes and are subject to greater and more unpredictable price changes than large- or mid-capitalization stocks or the stock market as a whole. There is typically less publicly available information concerning smaller-capitalization companies than for larger, more established companies.

**Market Events Risk.** U.S. and international markets have experienced significant periods of volatility in recent years due to a number of economic, political and global macro factors, including the impact of the coronavirus (COVID-19) pandemic and related public health issues, growth concerns in the U.S. and overseas, uncertainties regarding interest rates, trade tensions and the threat of tariffs imposed by the U.S. and other countries. These developments as well as other events, such as the U.S. presidential election, could result in further market volatility and negatively affect financial asset prices, the liquidity of certain securities and the normal operations of securities exchanges and other markets. As a result, the risk environment remains elevated.

**New Fund Risk.** The Fund is a recently organized management investment company with no operating history. As a result, prospective investors have no track record or history on which to base their investment decision.

**Non-Diversification Risk.** Although the Fund may invest in a variety of securities and instruments, the Fund will be considered to be non-diversified, which means that it may invest

more of its assets in the securities of a single issuer or a smaller number of issuers than if it were a diversified fund. As a result, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer or a smaller number of issuers than a fund that invests more widely. This may increase the Fund's volatility and cause the performance of a relatively smaller number of issuers to have a greater impact on the Fund's performance. However, the Fund intends to satisfy the asset diversification requirements for qualifying as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

**Value Investing Risk.** Because the Fund may utilize a value style of investing, the Fund could suffer losses or produce poor results relative to other funds, even in a rising market, if the Adviser's and Sub-Adviser's assessment of a company's value or prospects for exceeding earnings expectations or market conditions is incorrect.

## 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  
[compliance@tamgmt.com](mailto:compliance@tamgmt.com)  
Phone: 210.942.1888  
Fax: 210.579.7177

Additional investor resources are listed below:

U.S. Securities and Exchange Commission (SEC)  
[SEC.gov](http://SEC.gov)  
[Investor.gov](http://Investor.gov)

North American Securities Administrators Association (NASAA)  
[NASAA Site](http://NASAA Site)  
[State Regulators](http://State Regulators)

Financial Industry Regulatory Authority (FINRA)  
[FINRA Site](http://FINRA Site)

Securities Investor Protection Corporation (SIPC)  
[SIPC Site](http://SIPC Site)

## Item 10: Other Financial Industry Activities and Affiliations

The Advisor is also registered as a Broker-Dealer, 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:

- Charles Schwab & Co, Inc.
- T.D. Ameritrade Institutional
- Raymond James Financial Services, Ltd.
- SEI Investments Company
- 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 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 registered with both TAM and the related advisor as an IAR. Mr. Graff does not have a controlling stake in either Advisor.

Mr. Enrique Araiza is the Chief Compliance Officer of the Advisor and its affiliated Broker-Dealer, Titleist Asset Management, Ltd. Mr. Araiza is also the Chief Compliance Officer of the related advisor, and Mr. Araiza 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.

#### Conflicts of Interest regarding TrueShares Low Volatility Equity Income ETF (DIVZ)

TAM and its IARs may recommend clients invest in TrueShares Low Volatility Equity Income ETF (DIVZ) (“the Fund”). When such a recommendation is made, a conflict of interest exists as TAM has a sub-advisory relationship with the Fund and the firm receives a sub-advisory fee for its services.



## **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 fundshares.
- 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-1fees.

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 affected 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 affect 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.

- Charles Schwab & Co, Inc.
- T.D. Ameritrade Institutional
- Raymond James Financial Services, Ltd.
- SEI Investments Company
- 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 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.

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