

# TOWLE & CO.

## Form CRS

As of March 30, 2025

### Introduction

Towle & Co. (“Towle”) <http://www.towleco.com> is registered with the U.S. Securities and Exchange Commission (“SEC”) as an Investment Adviser. Brokerage and investment advisory services and fees differ. It is important for a retail investor to understand the differences. There are free tools available for investors to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS). This site also provides educational materials about broker-dealers, investment advisers, and investing.

### What Investment Services and advice can you provide me?

We offer investment advisory services to retail investors. These services include advice about buying and selling individual stocks and exchange traded funds. Our firm offers advisory services to: separately managed accounts, pooled investment vehicles that include registered mutual funds, and private investment funds. Our services include periodic review of your investment portfolio as part of regular services, during which we compare positions in each client account to the weights in the investment strategy model and review any client-specific guidelines. We will manage your account(s) with discretionary authority. This means that you will authorize us to make investment recommendations for your account(s) and we will buy and sell the securities we have recommended to you without contacting you in advance.

We limit our recommendations to retail clients to a long-only, small capitalization (cap) value equity strategy. We typically require an account minimum of \$3,000,000 to open a separately managed account. Our pooled investment vehicles have minimum investment levels outlined in their offering documents. For more detailed information about our services, refer to our Form ADV 2A [http://www.towleco.com/documents/FG/towle/communications/637492 Towle ADV Part 2A.pdf](http://www.towleco.com/documents/FG/towle/communications/637492_Towle_ADV_Part_2A.pdf).

*Conversation Starters. Ask your financial professional...*

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

### What fees will I pay?

We charge retail clients fees based on the value of the assets in the account and these fees are assessed according to the following schedule:

Account Assets	Annual Rate
First \$25 Million	1.00%
Second \$25 Million	0.90%
Over \$50 Million	0.80%

Fees for separately managed accounts are typically calculated as a percentage of the account value on the last trading day of each calendar quarter and payable at the end of each quarter. For accounts that start or terminate during a quarter, the fee is pro-rated. Since we charge an asset-based fee, the more assets there are in a retail investor’s account, the more a retail investor will pay in fees, and Towle therefore has an incentive to encourage a retail investor to increase the assets in his or her account.

Other fees that may be charged to you depending on your account or custodian are fees paid to the custodian, fees related to exchange traded funds, as well as other transaction fees, brokerage fees and commissions, retirement plan administration fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. For clients who invest in our proprietary mutual funds and private funds, specific fee and related expense information can be found in the offering documents, prospectus, and statement of additional information for each fund.

**You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.**

The fees for investment advisory services are described in further detail in our ADV Part 2A Items 5.A., B., C., and D. [http://www.towleco.com/documents/FG/towle/communications/637492 Towle ADV Part 2A.pdf](http://www.towleco.com/documents/FG/towle/communications/637492_Towle_ADV_Part_2A.pdf).

## Form CRS Relationship Summary

*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? How else does your firm make money and what conflicts of interest do you have?**

*When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.*

- We serve as the investment manager to proprietary mutual funds and private funds. You may, but are not required to, invest in these funds. Specific fee and related expense information can be found in the offering documents, prospectus, and statement of additional information for each of our proprietary funds.
- One Towle private fund charges a performance-based fee, as described in its offering documents. The fund's general partner (an affiliate of Towle) is eligible to receive a performance fee from this fund if certain conditions are met. We have an incentive to favor this fund over other, lower fee-paying accounts regarding the devotion of time and resources and the allocation of investment opportunities. Additional information regarding this conflict can be found in Item 6 of our Form ADV, Part 2A Brochure using the link below.
- When you are charged an asset-based fee, the more assets there are in your account, the more you will pay in fees. It will benefit us to recommend that you increase the assets in your account and make IRA rollovers from 401(k) plans to accounts managed by us.
- We have soft dollar arrangements with broker-dealers where the broker-dealer uses credits generated from commissions paid to pay for certain products and services on our behalf. As a result, we have an incentive to use your commissions to purchase these products that we otherwise would purchase directly. Additional information regarding our conflicts of interest related to soft dollars can be found in Items 5 and 12 of our Form ADV, Part 2A Brochure using the link below.

*Conversation Starter. Ask your financial professional...*

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

For more detailed information regarding our conflicts of interest, please see our Form ADV, Part 2A [http://www.towleco.com/documents/FG/towle/communications/637492\\_Towle\\_ADV\\_Part\\_2A.pdf](http://www.towleco.com/documents/FG/towle/communications/637492_Towle_ADV_Part_2A.pdf).

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

Our financial professionals are paid a salary along with an annual retirement plan contribution and an annual discretionary bonus that is based on the financial results of the firm and individual job performance.

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

No. Our financial professionals do not have any legal or disciplinary history to disclose.

Please see <http://www.investor.gov/CRS> for a free search tool to research Towle 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**

If you would like additional, up-to-date information or a copy of this disclosure, please call 303-731-2494.

*Conversation Starter. Ask your financial professional...*

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