

# Towle & Co. - Form CRS

As of May 20, 2020

## Introduction

Towle & Co. (“Towle”) <http://www.towleco.com> is registered as an investment adviser with the U.S. Securities and Exchange Commission (“SEC”). Towle is required to provide this relationship summary (Form CRS) to all retail investors. Brokerage services and fees differ from those of an investment adviser, and 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, in the form of discretionary portfolio management, to clients including retail investors. These services consist of buying and selling individual stock positions and, in certain circumstances, exchange traded funds. We do not provide financial planning services. Our firm offers these advisory services to separately managed accounts and pooled investment vehicles that include registered mutual funds, private investment funds and UCITS funds. Our regular services include the periodic review of your investment account(s) during which every position is compared to the weights in our Deep Value investment strategy model. Discretionary authority means that you will authorize us to buy and sell the securities we recommend for your account(s) without contacting you in advance. Client portfolios consist predominantly of common equity securities traded on U.S. exchanges.

We require a minimum \$3,000,000 investment to open a separately managed account, and this amount is usually a minor percentage of a client’s total investible assets. 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/pdf/Towle ADV Part 2A.pdf](http://www.towleco.com/pdf/Towle_ADV_Part_2A.pdf).

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

- *Given my financial situation, should I choose an investment advisory 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:

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

Fees for separately managed accounts are 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 mid-quarter, the fee is pro-rated. Since we are an investment adviser which charges 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.

Depending on your account or custodian you may be charged other fees including those 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 of our proprietary funds.

## Form CRS Relationship Summary

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/pdf/Towle\\_ADV\\_Part\\_2A.pdf](http://www.towleco.com/pdf/Towle_ADV_Part_2A.pdf).

*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 acting as my investment adviser? 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. Here are some examples to help you understand what this means.

We serve as the investment manager to a proprietary mutual fund and private funds. You may, but are not required to, invest in these proprietary funds. Specific fee and related expense information can be found in the offering documents, prospectus, or statement of additional information for each of our proprietary funds.

One employee, Joseph W. Bradley, COO and Director of Client Development, is a registered representative of a broker-dealer, IMST Distributors, LLC, as required for the marketing and sale of the Towle Deep Value Fund. Mr. Bradley does not receive separate compensation in the form of commissions or 12b-1 fees. You are not obligated to purchase this fund.

*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 conflicts of interest, please see our Form ADV, Part 2A [http://www.towleco.com/pdf/Towle\\_ADV\\_Part\\_2A.pdf](http://www.towleco.com/pdf/Towle_ADV_Part_2A.pdf).

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

At Towle, our financial professionals are paid a salary and annual retirement plan contributions. Many of our financial professionals earn a 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 and simple 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 (312) 822-0204.

*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?*