

Summary of the Relationship Between Retail Advisory Clients and Ballast Asset Management, LP

Ballast Asset Management, LP is registered with the Securities and Exchange Commission (“SEC”) as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand the differences. Free and simple tools to research firms and financial professionals and education material about broker-dealers, investment advisers, and investing are available at www.investor.gov/CRS.

What investment services and advice can you provide me?

We offer investment advisory services to retail investors, mainly via a separately managed account (“SMA”) strategy focused on small & mid-cap domestic equities. This strategy is also available through an Exchange Traded Fund (“ETF”) that we manage. We also provide discretionary investment management services to retirement plan clients and may be appointed as an ERISA §3(38) investment manager.

All of our clients’ SMAs are “discretionary,” meaning that we are allowed to buy and sell in our SMA without obtaining your consent for the specific transaction in advance, subject to any reasonable restrictions you may impose in your agreement with us.

As part of our standard services, your SMA investments are monitored weekly. Material changes in the market or your circumstances can trigger more frequent reviews.

Our account minimums are \$1,000,000 for the SMA strategy, but those minimums can be waived at our discretion in certain circumstances.

We generally only provide investment advice to retail investors where we have full discretionary authority. That means that we are permitted to select and trade investments in your accounts without first obtaining your permission. Where we have such authority, we will review, evaluate, and trade your accounts continuously as part of our standard services, absent a different agreement. Although eligible investments may vary by account type, strategy, and investment guidelines, we generally do not restrict our advice to a limited menu of investments. We may agree on customized investment guidelines, including specific restrictions, so long as we can implement them and do so without fundamentally altering the strategy.

Please refer to Items 4 & 7 in our [Form ADV 2A](#) (“Brochure”) for more information.

*** *You are encouraged to start a conversation with 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?

*** Ask Us**

What fees will I pay?

We charge an asset-based management fee quarterly and in advance.

- Our standard fee is an asset-based fee at an annual rate of 1% based on the percentage of assets we manage (“SMA Management Fee”). These fees are negotiable at our discretion and are deducted from your account at the start of each quarter.
- You will also pay fees and operating expenses for your account, including those incurred with their account transactions, such as custodial fees, brokerage commissions, and mutual fund and ETF fees.



- We have an incentive to encourage you to move under our management because the more assets under management we have, the more fees we are able to collect. Clients who convert their existing SMA account to the ETF Fund shall not be double charged fees; Clients will not be charged both SMA and ETF fees.

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.

Please refer to Items 5 in our [Form ADV 2A](#) ("Brochure") for more information.

- 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?

* Ask Us

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 must 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. 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:

- Our asset management fees are 1% of our annual assets under management. This fee structure incentivizes us to encourage you to move your assets under our management.
- We may invest client assets in the ETF that we manage. We have a conflict of interest as we have an incentive to favor the SMA due to a higher management fee.

We do not receive indirect compensation, such as 12b-1 fees, revenue sharing, or other plan asset-based payments, in connection with management of ERISA plan accounts, which helps mitigate concerns regarding prohibited transactions under ERISA.

How do your financial professionals make money?

Our firm compensates financial professionals with cash compensation. For certain financial professionals, namely portfolio managers, their compensation may be influenced by the amount of client assets within their strategies, which may create a conflict when deciding whether to hire us to provide services to you.

Please refer to Items 6, 10, 14 in our [Form ADV 2A](#) ("Brochure") for more information.

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

No. Free and simple tools are available to research us and our financial professionals at www.investor.gov/CRS.

- As a financial professional, do you have any disciplinary history? For what type of conduct?

* Ask Us

Additional Information

Please visit www.ballastam.com or call 469-502-3652 for more information about our firm and our services or request a printed copy of our Client Relationship Summary. Our [Form ADV 1A](#) and Brochure are also available on the Investment Adviser Public Disclosure website at: <https://adviserinfo.sec.gov/>.

- 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?

* Ask Us