



Form CRS Customer Relationship Summary

Item 1. Introduction

Hourglass Capital, LLC ("Hourglass Capital", "we", "us", or "our") is registered with the Securities Exchange Commission ("SEC") as a registered investment adviser. Investment advisory services and compensation structures differ from those of a registered broker-dealer, and it is important that you understand the differences. This document gives you a summary of the types of services we provide and how you pay for our services. Free and simple tools are available to further research firms and financial professionals at www.investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2. Relationships and Services

What investment services and advice can you provide me?

- We offer investment advisory services to individuals, business entities, retirement accounts, trusts, estates, and charitable organizations (our "retail investors", or "client") with a minimum account size of \$2,000,000. We can accept smaller accounts at our discretion.
- We manage these advisory accounts on a discretionary basis, with account supervision guided by the client's investment objectives (example: income, growth, capital appreciation).
- We will monitor on a continuous basis the investments in the accounts as part of our service. We have the authority, without prior consultation with the client, to buy, sell, and allocate the investments within your account(s) consistent with your investment objectives. We do not limit our advice by using proprietary products or a limited menu of products or types of investments. However, other firms could advise on a wider range of investment choices.

For Additional Information: Please see Items 4 and 7 of our Form ADV Part 2A brochure which is provided to all clients or by going here: <https://adviserinfo.sec.gov/firm/summary/147754>.

Let's discuss...Given my financial situation, should I choose an investment advisory service? Why or why not?

How will you choose investments for my account?

What is your relevant experience, including your education, licenses, and work experience?

Item 3. Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

- **Asset-based fees** (used with the majority of our clients) are generally charged a maximum annual fee of 1.00% per year and are negotiated between you and your portfolio manager. The fees are based on the market value of the cash and investments under management including accrued interest and dividends based on trade date at each quarter end. The fees are billed in arrears, after the services have been performed. Hourglass may charge a lesser fee based upon your specific circumstances. As a result, similar clients could pay different fees. In addition, similar investment services may be available from other investment advisers for similar or lower fees.
- **Performance-based fees** may be charged for clients who demonstrate a net worth of at least \$2,200,000 (excluding their primary residence) or must have at least \$1,100,000 in assets under management with Hourglass. This fee charged may be up to 20% of the investments under management's net profits, that exceeds any cumulative gains. The performance-based fee is billed annually in arrears.

The more assets that you have under management, the more you will pay in fees, and Hourglass may therefore have an incentive to encourage you to increase the assets under management.

- **Other costs:** Your investment assets will be held in an account with a qualified custodian. Your account may incur additional charges from other financial institutions such as custodial fees, mutual fund and ETF fees charged to you

as a shareholder, wire and electronic transfer fees, brokerage commissions, and transactions fees charged by your account custodian or the executing broker. Such charges and fees are in addition to our advisory fee, and part of your agreement with the custodian.

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.

For Additional Information: Please see Item 5 of our Form ADV Part 2A brochure which is provided to all clients or by going here: <https://adviserinfo.sec.gov/firm/summary/147754>.

Let's discuss...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 advisor?
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 some 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.*
 - Hourglass and its financial professionals may from time-to-time purchase or sell investments that they may recommend to clients. In such circumstances, we and our financial professionals may have a financial interest in recommending investments that Hourglass or our financial professionals also own.
 - We only make money from the asset-based and performance-based fees that we charge. We do not make money in any other manner.

Let's discuss...How might your conflicts of interest affect me, and how will you address them?

For Additional Information: Please see Items 5, 10, and 14 of our Form ADV Part 2A brochure which is provided to all clients or by going here: <https://adviserinfo.sec.gov/firm/summary/147754>.

How do your financial professionals make money?

Our financial professionals are paid a salary for their work as portfolio managers.

Item 4. Disciplinary History

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

Yes.

Free and simple tools are available to further research firms and financial professionals at www.investor.gov/CRS.

Let's discuss...As a financial professional, do you have any disciplinary history? For what type of conduct?

Item 5. Additional Information

You may contact us at info@hourglasscapital.com or by telephone at (713) 936-0440 with any questions or concerns, or to request a current copy of our Form ADV Part 2A Disclosure Brochure or this Client Relationship Summary. These documents are also available on our website www.hourglasscapital.com or on the investment advisor public disclosure website <https://adviserinfo.sec.gov/firm/summary/147754>.

Let's discuss...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?