

## Introduction

Tanglewood Total Wealth Management, Inc. (TWM), is an investment advisor located in Houston, TX and registered with the Securities and Exchange Commission (SEC).

Brokerage and investment advisory services and fees differ and it is important to understand these differences to determine which type of service is right for you. There are free, simple tools available to individuals in order to research firms and financial professionals at [www.investor.gov/CRS](http://www.investor.gov/CRS). This site also provides educational materials about investment advisers, broker-dealers and investing.

## What types of investment services and advice can you provide me?

As an SEC registered investment adviser, TWM offers its investment management services to retail investors for a fee based on the value of the managed cash and investments in your account(s).

Tanglewood offers two distinct advisory relationship types:

Under the “*Wealth Management*” relationship (*wealth planning and investment management combined*), Tanglewood offers to address your total financial well-being including wealth planning in the areas of retirement, estate, income tax, charitable giving, college funding, insurance analysis and business planning. The minimum annual fee for the Wealth Management relationship is \$14,000.

Under the “*Investment Management*” (*only*) relationship, Tanglewood solely provides investment management services with NO wealth planning. There is no minimum annual advisory fee for the Investment Management relationship.

With either relationship type, the investment management services are the same. Should you choose to do business with our firm, we’ll meet with you to understand your current situation, existing resources, goals, and risk tolerance. Based on what we learn, we will recommend a portfolio of investments that are monitored on a weekly basis by our Investment Committee. Portfolio investments typically include mutual funds and exchange traded funds representing the various asset classes within the portfolio.

Tanglewood’s accounts are managed on a discretionary basis which means we don’t need to contact you when buying or selling in your account. You will sign an investment management agreement and limited power of attorney with a third-party custodian giving us this authority. This agreement will remain in place until you or we terminate the relationship. Additional information about our advisory services is located in Item 4 of our [Firm Brochure](#).

### CONVERSATION STARTER - Questions to Ask Us:

- Given my financial situation, should I choose an investment advisory service? Why or why not?
- What is your relevant experience, including your licenses, education and other qualifications? What do those qualifications mean?

## What fees and costs will I pay?

Fees and costs will reduce the amount of money you make on your investments over time. Always ask your adviser to give you a detailed breakdown on the fees and costs that you will pay. At our firm, you will be charged a quarterly fee based on the average daily value of the investments in your account.

Our fee schedule ranges from 0.15% to 0.70% annually depending on the advisory relationship you choose and the value of the managed cash and investments in your account. The quarterly fees will be automatically deducted from your account and will be assessed whether you make money or lose money on your investments.

The broker-dealer (custodian) that holds your assets can charge you a small transaction fee when we buy or sell an investment for you. The broker-dealer's transaction fees are in addition to our advisory fee for our investment advisory service. Some investments, such as mutual funds and exchange traded funds charge additional fees that will reduce the value of your investments over time. Additional information about our fees is located in Item 5 of our [Firm Brochure](#).

### CONVERSATION STARTER - Questions to Ask Us:

- Help me understand how these fees and costs will 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?
- How do you determine what fee I will be charged?

## What are your legal obligations to me when acting as my investment adviser? How 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. This is what it means to be a "fiduciary". 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. A potential conflict of interest would be that the more assets in an investor's account(s), the more the investor will pay in advisory fees. Therefore, we have an incentive to encourage an investor to increase assets in his/her account. Additional information about our conflicts of interest can be found in our [Firm Brochure](#) under Item 11.

The firm's revenue is solely derived from the advisory fees we collect from client accounts each quarter. Our Wealth Advisors are employees of the firm and are paid a fixed monthly salary. On a quarterly basis, they also receive a portion of the advisory fees collected from the clients for which the Wealth Adviser serves as the primary contact.

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

No, our firm and/or financial professionals do not have any legal and disciplinary history. Visit [www.investor.gov/CRS](http://www.investor.gov/CRS) for a free and simple search tool to research our firm and our financial professionals.

## Additional Information

You can find additional information about our firm's investment advisory services on the SEC's website at [adviserinfo.sec.gov/](http://adviserinfo.sec.gov/) by searching CRD #107639. You may also contact our firm at (713) 840-8880 and speak to any one of our Wealth Advisors or support staff.

### CONVERSATION STARTER - Questions to Ask Us:

- 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?