

ITS ASSET MANAGEMENT, L.P. FORM CRS

SUMMARY OF MATERIAL CHANGES

November 10, 2021

ITS Asset Management, L.P. has revised its Client Relationship Summary since it was last filed on May 21, 2021. Below is a summary of the material changes made:

The following changes were made on November 10, 2021:

Section: Item 2: What investment services and advice can you provide to me?

Item 2 was amended to include the investment management services available under the dba PTS Asset Management, LLC which are substantially similar to those of ITS Asset Management's existing services. PTS does have a higher account minimum than ITS, at \$50,000.

Section: Item 3 (part 1): What fees will I pay?

Item 3 (part 1) was amended to include PTS Asset Management's billing cycle.

Section: Item 3 (part 2): 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?

Item 3 (part 2) was amended to include the use of unaffiliated third-party solicitors by both ITS Asset Management and PTS Asset Management. Both firms utilize unaffiliated third party solicitors to solicit prospective clients and pay such solicitors a percentage of the fees earned from these solicited clients.

Section: Item 3 (part 3): How Do your financial professionals make money?

Item 3 (part 3) was amended to include that certain of our financial professionals serve as registered representatives of unaffiliated broker-dealers. These financial professionals earn commissions and other fees on products sold through the unaffiliated broker-dealer. This presents a conflict of interest because these financial professionals in their role as registered representatives for the unaffiliated broker-dealer are incentivized to make recommendations based on the compensation received rather than on a client's needs. Also that certain of our financial professionals are also licensed insurance agents and in that capacity may recommend the purchase of certain insurance products to our clients. These financial professionals earn commissions for the sale of insurance products and, therefore, this presents a conflict of interest because these financial professionals in their role as insurance agents are incentivized to make insurance product recommendations based on the compensation received rather than on a client's needs.



Item 1. Introduction.

ITS Asset Management is registered with the United States Securities and Exchange Commission 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 are available to research firms and financial professionals at [Investor.gov/CRS](https://investor.gov/CRS), which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2: What investment services and advice can you provide to me?

ITS Asset Management provides investment advisory services to retail investors. The principal service we offer is investment management services through managed strategies we have designed. The managed strategy or strategies we utilize for you are determined by you and the unaffiliated financial professional that you utilize. We do not engage in any review of your investment objectives or other financial information. We continuously monitor the holdings and performance of the utilized strategy(s). We provide investment management services on a discretionary basis pursuant to authority granted to us in your client agreement. Pursuant to this discretionary authority, we are authorized to determine which securities are bought and sold, the total amount to be bought and sold, and the costs at which transactions will be effected. Similar services as those described above are also offered through PTS Asset Management, another name (or another business line) under which we conduct business. Investment options are limited to mutual funds and exchange traded funds. Other firms could provide advice on a wider range of choices, some of which might have lower costs. For ITS clients, we impose an account minimum of \$30,000 for new clients, subject to lower minimums for client accounts of individual participants in employer sponsored SIMPLE IRA and 401(k) plans. For PTS clients, the minimum for opening and maintaining an account is \$50,000. Regardless, we reserve the right to accept or decline a potential client for any reason in our sole discretion.

For additional information, please refer to our [Form ADV Part 2A Brochure](#), especially the sections titled [Advisory Business](#), [Fees and Compensation](#), [Types of Clients](#), [Review of Accounts](#), and [Investment Discretion](#). The Brochure is available at <https://adviserinfo.sec.gov/firm/summary/106977>

Questions to Ask Us:

Given my financial situation, should I choose an investment advisory service? Why or why not?

How will you choose the investments that you recommend to me?

What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?

Item 3 (part 1): What fees will I pay?

For investment advisory services, we charge an asset-based fee, which means a percentage fee based on your assets under management. ITS clients are billed on a quarterly basis while PTS clients are billed either semi-annually or quarterly. For an asset-based fee, the more assets that are in a client's advisory account, the more a client will pay in fees. Therefore, we may have an incentive to encourage clients to increase the assets in his or her account.

In addition to our fees you will be responsible for other fees and expenses, such as, transaction charges and fees/expenses charged by any custodian of your account, subadvisor, mutual fund, exchange traded fund, separate account manager and any taxes or fees required by federal or state law.

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, see the section titled [Fees and Compensation](#) of our [Form ADV Part 2A Brochure](#).

Question to Ask Us:

Help me to 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?

Item 3 (part 2): 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 to you. As an example, we receive various benefits and services from the custodians that we may recommend to you. We also utilize unaffiliated third party solicitors to solicit prospective clients and pay such solicitors a percentage of the fees earned from these solicited clients. For additional information, please refer to the sections titled [Brokerage Practices](#) and [Client Referrals and Other Compensation](#) in our [Form ADV Part 2A Brochure](#).

Question to Ask Us:

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

Item 3 (part 3): How do your financial professionals make money?

Our financial professionals are paid on a salaried basis. The amount of our professionals' pay is not dependent upon factors such as the amount of client assets they service, new clients obtained and/or an increase in client assets supervised by the professional, the time and complexity required to meet a client's needs, the product or service sold, product sales commissions or revenue the firm earns from the financial professional's advisory services or recommendations. Since the firm charges an asset-based advisory services fee, the more assets you have in your account, the more you will pay in fees and, therefore, the firm and the financial professional have an incentive to encourage you to increase the assets in your account. Certain of our financial professionals serve as registered representatives of unaffiliated broker-dealers. These financial professionals earn commissions and other fees on products sold through the unaffiliated broker-dealer. This presents a conflict of interest because these financial professionals in their role as registered representatives for the unaffiliated broker-dealer are incentivized to make recommendations based on the compensation received rather than on a client's needs. Certain of our financial professionals are also licensed insurance agents and in that capacity may recommend the purchase of certain insurance products to our clients. These financial professionals earn commissions for the sale of insurance products and, therefore, this presents a conflict of interest because these financial professionals in their role as insurance agents are incentivized to make insurance product recommendations based on the compensation received rather than on a client's needs. For additional information regarding our financial professionals' activities as registered representatives of an unaffiliated broker-dealer and insurance agent please refer to section [Other Financial Industry Activities and Affiliations](#) in our [Brochure](#).

Item 4: Do you or your financial professionals have a legal or disciplinary history?

Yes. You can visit Investor.gov/CRS for a free and simple search tool to research our firm and our financial professionals.

Questions to Ask Us:

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

Item 5: Additional Information.

For additional information about our investment advisory services and to request a copy of our Form CRS, please contact 724-745-2300.

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 a person is treating me?