

# Titleist ASSET MANAGEMENT, LTD.

Titleist Asset Management, Ltd. ADV 2A

CRD NUMBER: 126136  
SEC NUMBER: 801-80959

JULY 25, 2017  
TITLEIST ASSET MANAGEMENT, LTD.  
777 E. Sonterra Blvd., Suite 330, San Antonio, Texas 78258  
[www.tamgmt.com](http://www.tamgmt.com)

# **Titleist Asset Management, Ltd.**

## **Client Brochure**

This brochure provides information about the qualifications and business practices of Titleist Asset Management, Ltd., a Registered Investment Advisor. If you have any questions about the contents of this brochure, please contact us at 210.826.2424 or via email directly to [compliance@tamgmt.com](mailto:compliance@tamgmt.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC). Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Titleist Asset Management, Ltd. is also available on the SEC's Web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2: Material Changes**

On July 28, 2010, the United States Securities and Exchange Commission published "Amendments to Form ADV II" which amends the disclosure document that we provide to clients as required by SEC Rules. SEC Rules require that this be provided within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. No material changes are to note.

## Item 3: Table of Contents

### Table of Contents - Titleist Asset Management, Ltd. Client Brochure

<b>Item 2: Material Changes</b> .....	3
<b>Item 3: Table of Contents</b> .....	4
<b>Item 4: Advisory Business</b> .....	5
<b>Item 5: Fees and Compensation</b> .....	7
<b>Item 6: Performance Based Fees and Side-by-Side Management</b> .....	9
<b>Item 7: Types of Clients</b> .....	10
<b>Item 8: Methods of Analysis, Investment Strategies and Risk of Loss</b> .....	11
<b>Item 9: Disciplinary Information</b> .....	13
<b>Item 10: Other Financial Industry Activities and Affiliations</b> .....	14
<b>Item 11: Code of Ethics:</b>	
<i>Participation or Interest in Client Transactions and Personal Trading</i> .....	16
<b>Item 12: Brokerage Practices</b> .....	17
<b>Item 13: Review of Accounts</b> .....	18
<b>Item 14: Client Referrals and Other Compensation</b> .....	19
<b>Item 15: Custody</b> .....	20
<b>Item 16: Investment Discretion</b> .....	21
<b>Item 17: Voting Securities</b> .....	22
<b>Item 18: Financial Information</b> .....	23
<b>Item 19: Additional Information</b> .....	24

## Item 4: Advisory Business

### Description of the Advisory Firm

Titleist Asset Management, Ltd. (referred hereinafter to as “Advisor”) provides personalized investment advisory and consulting services to individuals, trusts, estates, corporations and other business entities. Advisor shall perform a review of the variables presented including, but would not necessarily be limited to, investment objectives, the client’s overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client’s particular circumstances to determine a suitable course of action for the client. The firm does not engage in any other business activity other than acting as a securities broker-dealer.

Mr. Byron L. Fields and Mr. Joe-Ben O’Banion are both managing partners of Fields and O’Banion Investments, LLC, established since 2003, which is owner of the Advisor. Mr. Fields and Mr. O’Banion are the Managing Partners of the Advisor which has been established since 2003. Mr. Leon A. Mimari is the Chief Compliance Officer of the Advisor.

### Byron L. Fields, Managing Partner

Education Background: University of Texas – B.A. Finance, 1999

Business Background: Titleist Asset Management, Ltd. Managing Partner:  
01/2003 – Present

Fields & O’Banion Investments, LLC. Managing Partner:  
01/2003 – Present

Shorebird Capital, LP Member of the General Partner  
10/2016 - Present

### Joe-Ben O’Banion, Managing Partner

Education Background: Texas State University – B.A. Management, 1997

Business Background: Titleist Asset Management, Ltd. Managing Partner:  
01/2003 – Present

Fields & O’Banion Investments, LLC. Managing Partner:  
01/2003 – Present

### Leon A. Mimari, Chief Compliance Officer

Education Background: University of the Incarnate Word – B.S.B.A. General Business,  
2003

Business Background: Titleist Asset Management, Ltd. Chief Compliance Officer:  
10/2015 – Present

Shorebird Capital, LP Chief Compliance Officer  
10/2016 – Present

Investment Professionals, Inc. Compliance  
Associate/AVP/Compliance Officer/Sr. Compliance Officer:  
02/2006 – 09/2015

## **Investment Management Services**

Advisor provides Investment Management Services to clients wishing to have their investments managed continuously on a discretionary basis. When discretionary authority is granted by a client, Advisor is free to select the securities to buy and sell, the amount to buy and sell, and when to buy and sell. The Advisor will be restricted to having limited trading authorization. Advisor is available to provide management services to a wide variety of clients including individuals, pension and profit sharing plans, trusts, estates, corporations and other entities. Advisor may also provide services on a nondiscretionary basis, which requires the Advisor to obtain permission for each trade in advance.

Investment Management Services begin by Advisor assisting each new client in determining the client's investment objectives. Once a portfolio is established, Investment Advisor Representative then manages each client's investments in a manner consistent with the client's objectives and risk tolerance. Clients may impose restrictions on investing in certain securities or types of securities. Advisor also assists each client in establishing a securities account at a brokerage firm which maintains custody of client securities either directly or with the assistance of its clearing firm. Advisor may recommend clients establish a brokerage account with the Advisor's clearing firm, and most clients typically do so.

Besides managing various types of securities for clients, such as common and preferred stocks, mutual funds, annuity subaccounts, warrants, rights, bonds, municipal securities, options and government bonds, a portion of the securities in client accounts may be held in cash or cash equivalents, including money market mutual funds.

Advice given to any client may differ from advice given, or the timing and nature of the action taken, with respect to other client accounts. Advisor will make a reasonable effort to follow all investment management restrictions and instructions expressed to the firm by a client. Clients are encouraged to call their Investment Advisor Representative at any time if they have questions.

## **Privately Managed Portfolios**

Privately Managed Portfolios are managed on a discretionary basis by independent third-party money managers. Money managers offer a variety of investment portfolio strategies for clients to choose from. SEI Investments is currently approved on the Privately Managed Portfolios platform. Clients should be sure to review the Form ADV Part 2 Brochure of each separate account manager whom they choose to do business. A copy will be provided by the Company and is also available on the SEC's website, [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 5: Fees and Compensation

Clients are charged for Advisor's asset management services based on a percentage of assets under management. Fees are negotiable based on factors such as, but not necessarily limited to, the number of accounts being managed, the amount of assets under management and the overall complexity of the client's financial situation. The following is a sample fee schedule provided for illustrative purposes:

*Advisory Fees:	Total Assets	Fee
	Up to \$1,000,000	.90% - 1.50%
	\$1,000,001 - \$3,000,000	.85% - 1.25%
	\$3,000,001 or greater	.50% - 1.00%

**\*This schedule is used as a guideline only. All fees are subject to negotiation at the sole discretion of the Advisor.**

The exact services and fees will be agreed upon and disclosed in the agreement for services prior to services being provided. Annual fees for investment advisory services may be billed and payable quarterly in advance or billed and payable quarterly in arrears. Fees will be prorated based on the number of days that services are provided when the account is established or terminated at any time other than the beginning of a calendar quarter.

Advisor requires to have its advisory fees deducted directly from the client's account. In these cases, clients must provide the Advisor with written authorization to have fees deducted from the account and paid to Advisor. The custodian delivers quarterly or monthly account statements to clients. Among other details, account statements list disbursements for the account including the amount of the advisory fee when deducted directly from the account.

Fees may be billed and payable quarterly in advance or billed and payable quarterly in arrears. The terms of which are stated below:

Quarterly fees billed in advance at the beginning of each calendar quarter based on the value of assets under management at the end of the previous quarter and is payable within 30 days after the beginning of each calendar quarter. Should the advisory agreement be terminated, the client will be charged a prorated fee in accordance with the number of days that have elapsed from the end of the last billed quarter through the date of termination.

Quarterly fees billed in arrears in each following calendar quarter based on the value of assets under management at the end of the previous quarter and is payable within 30 days after the beginning of each following calendar quarter. Should the advisory agreement be terminated, the client will be charged a prorated fee in accordance with the number of days that have elapsed from the beginning of the quarter in which the agreement was terminated through the date of termination.

In addition to Advisor's investment advisory fee(s), client may be assessed other fees by parties independent from Advisor. The client may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (e.g. advisory fees, administrative fees, and other fund expenses).

Brokerage fees/commissions charged to client for securities trade executions may be billed to the client by the broker-dealer or custodian of record for the client account, not Advisor. From time to time and as allowed by regulatory rule or law, Advisor or its representatives may receive commissions as a result of certain securities transactions effected on behalf of client, where such transactions are effected in connection with Advisor's advisory services provided to client. Any such commissions/fees are exclusive of, and in addition to compensation charged by Advisor.

Advisor is a FINRA registered broker-dealer. Through its registration as a broker-dealer, Advisor may offer general securities products, which may be offered separately from Advisor's investment advisory services. As a result of certain investment-related recommendations (or other investment advisory services) provided to its clients, Advisor may facilitate certain securities purchases or sales related thereto, on behalf of such client.

Any such transactions may be facilitated by Advisor, in its capacity as a registered broker-dealer.

Advisor may, in its capacity as a broker-dealer, effect certain securities transactions that may have been recommended as part of its investment advisory services. Further, Advisor or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from Advisor's compensation related to its investment advisory services.

From time to time, associated persons of Advisor may recommend that clients buy or sell securities or investment products that the Advisor also owns. In such circumstances, Advisor shall institute the following policies and procedures.

### **Firm Procedures**

In order to implement Advisor's investment policy, the following procedures have been put into place with respect to Advisor and its associated persons:

- (1) If Advisor is recommending for purchase by any of its clients, any security, no associated person may effect personal transactions in that security prior to the client purchase having been completed, or until the client has made the decision not to purchase the security; and
- (2) If Advisor is recommending that any of its clients sell any security, no associated person may effect personal transactions in that security prior to the client's sale of that security, or until the client has made the decision not to sell the security.

Advisor's activities as a broker-dealer represent approximately fifty-five (55) percent of its overall business activities.

At Advisor's discretion, Advisor may reduce advisory fees where both advisory fees and commissions are charged.

## **Item 6: Performance Based Fees and Side-by-Side Management**

The Advisor does not participate in performance-based fees or side-by-side management.

## **Item 7: Types of Clients**

The types of clients the Advisor generally provides investment advice to includes, but is not limited to, individuals, high net worth individuals, trusts, estates, corporate retirement plans, charitable organizations, corporations or businesses. The Advisor does not have a minimum account size requirement.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, (“ERISA”), the Advisor acknowledges that the Advisor is a fiduciary within the meaning of the Act and the ERISA client is a named fiduciary with respect to the control or management of the assets in the account. In each instance, the client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Advisor and the Advisor’s principals, agents, and employees under those insured under that bond and will deliver the Advisor a copy of the governing plan documents. If the account assets for which the Advisor provides services represents only a portion of the assets of an employee benefit plan, client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

The Advisor reserves the right to decline to provide investment advisory services to any person or firm in its sole discretion and for any reason.

## **Item 8: Methods of Analysis, Investment Strategies and Risk of Loss**

The Advisor may use some or all of the following methods of analysis: Fundamental, Technical, or Quantitative in formulating its investment strategies.

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

The risk of fundamental analysis is that information obtained may be inaccurate and the analysis may not provide a correct estimate of earnings, which could potentially be the basis for a stock's value. If a stock's price adjusts rapidly to newly released information, fundamental analysis may not result in favorable performance.

**Technical Analysis** - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.

The risk of market timing based on technical analysis is that charts, inherently, may not accurately predict future price movements. Current prices of securities may reflect all information known about the security. Day to day changes in prices of securities may follow random patterns and not be predictable with any reliable degree of accuracy. This is the risk of technical analysis.

**Quantitative Analysis** - involves analyzing income statements, balance sheets, cash flows. Comparing current valuations with historical valuations and how those compare with other companies in the same industry. Generally, doesn't put much weight on the industry or sector, nor the trends of those sectors.

Each client should be aware that securities investing involves risk of loss and should be prepared to bear any such loss of that investment. We make no representation or guarantee that our services or methods of analysis can or will predict future results, opportunistically identify market trends, or protect clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is not indicative of future results.

**Business Risk** - With a stock, you are purchasing a piece of ownership in a company. With a bond, you are loaning money to a company. Returns from both of these investments require that the company stays in business. If a company goes bankrupt and its assets are liquidated, common stockholders are the last in line to share in the proceeds. If there are assets, the company's bondholders will be paid first, then holders of preferred stock. If you are a common stockholder, you get whatever is left, which may be nothing.

**Volatility Risk** - Even when companies aren't in danger of failing, their stock price may fluctuate up or down. Large company stocks as a group, for example, have lost money on average about one out of every three years. Market fluctuations can be unnerving to some investors. A stock's price can be affected by factors inside the company, such as a faulty product, or by events the company has no control over, such as political or market events.

**Inflation Risk** - Inflation is a general upward movement of prices. Inflation reduces purchasing power, which is a risk for investors receiving a fixed rate of interest. The principal concern for individuals investing in cash equivalents is that inflation will erode returns.

**Interest Rate Risk** - Interest rate changes can affect a bond's value. If bonds are held to maturity the investor will receive the face value, plus interest. If sold before maturity, the bond may be worth more or less than the face value. Rising interest rates will make newly issued bonds more appealing to investors because the newer bonds will have a higher rate of interest than older ones. To sell an older bond with a lower interest rate, you might have to sell it at a discount.

**Liquidity Risk** - This refers to the risk that investors won't find a market for their securities, potentially preventing them from buying or selling when they want. This can be the case with the more complicated investment products. It may also be the case with products that charge a penalty for early withdrawal or liquidation such as a certificate of deposit (CD).

**Credit Risk** – If debt obligations held by an account are downgraded by ratings agencies or go into default, or if management action, legislation or other government action reduces the ability of issuers to pay principal and interest when due, the value of those obligations may decline and an account's value may be reduced. Because the ability of an issuer of a lower-rated or unrated obligation (including particularly “junk” or “high yield” bonds) to pay principal and interest when due is typically less certain than for an issuer of a higher rated obligation, lower rated and unrated obligations are generally more vulnerable than higher-rated obligations to default, to ratings downgrades, and to liquidity risk. Political, economic and other factors also may adversely affect governmental issues.

**High Yield Risk** – Debt obligations that are rated below investment grade and unrated obligations of similar credit quality (commonly referred to as “junk” or “high yield” bonds) may have a substantial risk of loss. These obligations are generally considered to be speculative with respect to the issuer's ability to pay interest and principal when due. These obligations may be subject to greater price volatility than investment grade obligations, and their prices may decline significantly in periods of general economic difficulty or in response to adverse publicity, changes in investor perceptions or other factors. These obligations may also be subject to greater liquidity risk.

**Management Risk** – Titleist actively manages portfolios, and the value of the accounts may be reduced if Titleist pursues unsuccessful investments or fails to correctly identify risks affecting the broad economy or specific issuers in which the accounts invest.

## Item 9: Disciplinary Information

The Firm has had one disciplinary event since its inception in 2003. Details may be found on [FINRA's BrokerCheck®](#) system or the [Investment Advisor Public Disclosure](#) database.

You may access such information by searching the Company name, CRD or SEC number(s).

Titleist Asset Management, Ltd.  
SEC number: 801-80959  
CRD number: 126136

If you have any questions regarding accessing the system or database, please contact the Firm's Chief Compliance Officer, Leon A. Mimari.

Titleist Asset Management, Ltd.  
Leon A. Mimari, CCO  
777 E. Sonterra Blvd., Suite 330  
San Antonio, Texas 78258  
[lmimari@tamgmt.com](mailto:lmimari@tamgmt.com)  
Phone: 210.775.4335  
Fax: 210.579.7177

Other valuable resources for investors are listed below:

U.S. Securities and Exchange Commission (SEC)  
[SEC.gov](http://SEC.gov)  
[Investor.gov](http://Investor.gov)

North American Securities Administrators Association (NASAA)  
[NASAA Site](#)  
[State Regulators](#)

Financial Industry Regulatory Authority (FINRA)  
[FINRA Site](#)

Securities Investor Protection Corporation (SIPC)  
[SIPC Site](#)

## **Item 10: Other Financial Industry Activities and Affiliations**

The Advisor is also registered as a broker-dealer, Member FINRA & SIPC, which conducts business with both retail and institutional clients. The Advisor is also a Registered Investment Advisor with the United States Securities and Exchange Commission. On a fully disclosed basis, the Advisor introduces its business into its clearing firms, National Financial Services, LLC and Raymond James financial Services, Ltd.

Some of our Investment Advisor Representatives are also registered securities agents of the broker-dealer. In this capacity these dually registered advisors/agents may recommend securities or other products and receive normal securities transactions commissions. Some of our Investment Advisor Representatives who are properly licensed may also be insurance agents appointed with various insurance companies. In these capacities they may receive insurance commissions for insurance products purchased by customers. Clients of those advisors/agents/insurance agents are under no obligation to act upon any recommendations, or effect any transactions through them unless they decide to follow the recommendations.

The Advisor may have Investment Advisor Representatives that have its own legal business entity or entities. The client should understand that only the Individual Advisor Representative is registered with the Firm, and that no affiliation exists between the legal business entity or entities of the Investment Advisor Representative, and either the Registered Investment Advisor, or the Custodian. Customers working with these Investment Advisor Representatives will be dealing solely through the Advisor with respect to their advisory services and transactions. Other services or businesses provided by the Investment Advisor Representative are disclosed in the Form ADV Part IIB Brochure Supplement.

The Advisor is also registered as an introducing broker and Member of the National Futures Association.

The Advisor controls, is controlled by, or is under common control with a related advisor, Shorebird Capital, LP. Shorebird Capital, LP is registered with the SEC as a related adviser under rule 203A-2(b) that controls, is controlled by, or is under common control with, the Advisor, Titleist Asset Management, Ltd., that is registered with the SEC.

Mr. Byron L. Fields is a Managing Partner of the Advisor. Mr. Fields is also a limited partner of the related advisor, Shorebird Capital, LP and member of the general partner, Shorebird Capital GP, LLC, who is the general partner of the related advisor. Mr. Fields has a controlling stake in both the Advisor and the Shorebird Group.

The Shorebird Group has entered into a shared services agreement with its related advisor and its affiliated broker dealer, Titleist Asset Management, Ltd., whereby individuals associated with the Advisor and/or Shorebird devote time and resources to each other. Under the shared services agreement, the affiliates also share office space, back office support, personnel, and vendor systems.

Mr. Leon A. Mimari is the Chief Compliance Officer of the Advisor and its affiliated broker dealer, Titleist Asset Management, Ltd., effective October of 2015. Mr. Mimari is also the Chief Compliance Officer of the related Advisor, since September of 2016. Mr. Mimari has no controlling interest in either entity.

Due to the related advisor status between TAM and the Shorebird Group, certain conflicts of interest may exist between the two companies due to the potential incentives that exist in compensation arrangements. To mitigate potential conflicts, both firms have established policies which establish written objective criteria to evaluate each affiliate agreement and the compensation arrangements of such agreements, including the potential impacts to clients of both firms.

## **Item 11: Code of Ethics:**

### **Participation or Interest in Client Transactions and Personal Trading**

The Advisor and its associated persons are subject to a Code of Ethics that imposes certain procedures, disclosures, and/or restrictions designed to avoid conflicts of interest between Advisor and its clients. As enforced through one or more of the following provisions:

- Generally clear in advance with a principal all securities transactions in which they have a direct or indirect interest except transactions in government securities, banker's acceptance notes, bank certificates of deposit ("CD"), commercial paper and mutual fund shares.
- Request duplicate confirms or statements be sent to Advisor's compliance officer.
- Provide a quarterly statement of transactions to Advisor's compliance officer.

An Advisor is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an Advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. Advisor has a fiduciary duty to all clients.

This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. Advisor requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the advisor's Code of Ethics. Advisor has the responsibility to make sure that the interests of all clients are placed ahead of Advisor's or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. Advisor and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of advisor's Code of Ethics. However, if a client or a potential client wishes to review advisor's Code of Ethics in its entirety, a copy will be provided promptly upon written request.

Advisor or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that the firm recommends or acquires for the accounts of its clients, and may engage in transactions that are the same as or different than transactions recommended to or made for client accounts.

Such transactions are permitted if effected, pre-cleared and reported in compliance with Advisor's policy on personal securities transactions. Generally, personal securities transactions will not be pre-cleared when an order for the same or a related security is pending for the account of a client. Reports of personal transactions in securities by Advisor personnel are reviewed by the firm's compliance department quarterly or more frequently if required.

Advisor and its associated persons may buy or sell securities that are also recommended to clients. In order to minimize this conflict of interest, securities recommended by Advisor are widely held and publicly traded. In addition, in accordance with its fiduciary duty to clients, Advisor and its associated persons will place client interests ahead of their own interests.

In accordance with its fiduciary duty to clients, Advisor and its associated persons will place client interests ahead of their own interests.

## Item 12: Brokerage Practices

Since the Advisor is also a broker-dealer entity, it is probable that Investment Advisor Representatives will suggest that clients identify Advisor as the broker-dealer of record in reference to their investment advisory account. Advisor will, however, allow clients to select the broker-dealer of record that most suits them, should a client have a request for a broker-dealer in contravention to Advisor. Whereby Advisor will attempt to negotiate the transaction fees on behalf of a client that has selected another broker-dealer of record, Advisor cannot assure the client will be charged fees that are equal to or lower than fees charged by Advisor and/or its custodian/clearing firm.

Factors which Advisor considers in recommending any other broker-dealer to clients shall include that firm's financial strength, reputation, execution, pricing, research, and service. The commissions and/or transaction fees charged by broker-dealers to which Advisor may direct its clients' securities/brokerage transactions or services may vary. These fees are exclusive of, and in addition to, Advisor's investment management fee.

The Advisor's IARs may also be registered representatives of a broker-dealer and may receive compensation in the form of commissions for each transaction that is processed through a broker-dealer with which an IAR is registered.

In return for effecting securities transactions through another broker-dealer, Advisor may receive certain investment research products and/or services that assist the Advisor in its investment decision-making process for the client. All such transactions shall be effected in compliance with Section 28(e) of the Securities Exchange Act of 1934.

The brokerage commissions and/or transaction fees charged by Advisor or other designated broker-dealer are exclusive of, and in addition to, Advisor's investment advisory fee. Although the commissions (related to securities transactions) paid by Advisor's clients shall comply with the Advisor's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Advisor determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received.

Advisor's selection or recommendation of broker-dealers to clients is not contingent upon whether or not Advisor or a related will receive client referrals as a result of such selection or recommendation.

Advisor does not direct brokerage; however, Advisor may, at its discretion, accept a client request to direct transaction executions through a specified broker-dealer.

Advisor may aggregate the purchase or sale of securities for various client accounts. Some of the conditions surrounding the Advisor's decision to aggregate securities transactions may include, but are not limited to, overall market conditions, earnings reports, advance or decline in position, etc.

### **Item 13: Review of Accounts**

Account reviews are provided in connection with asset management accounts. For clients participating in this program, one of the Advisor's representatives will contact clients at least annually for the purpose of reviewing their account and to determine if there have been changes in their financial situation or investment objectives. The calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market. The underlying investments held in client accounts are reviewed on a more frequent basis. Portfolios are usually reviewed as frequently as weekly, and not less than monthly. Triggering factors for changes to underlying portfolios include the relative valuation changes between asset classes, valuation of the individual security, or economic or political changes that change the perceived risk/reward ratio of a sector or sub-sector of the global or national economy.

Stand-alone financial planning services terminate upon completion of such services and full payment of all fees due. Therefore, no reviews are conducted for these clients. If clients elect to have a review and update to an original consultation, additional fees may be charged and clients may be required to sign a new client agreement.

Client investment portfolios are reviewed on an on-going basis. For financial plans, the calendar is the main triggering factor, although more frequent reviews may also be triggered by changes in the client's circumstances, client request, or changes within the market.

Clients will receive account statements directly from the custodian. Statements will be delivered no less than quarterly but as frequent as monthly. In addition, Advisor may provide quarterly newsletters covering general financial and investment topics, explaining current views of the global economies and factors driving investment decisions.

#### **Item 14: Client Referrals and Other Compensation**

The Advisor does not have arrangements with someone who is not a client that provides an economic benefit to the Advisor for providing investment advice or other advisory services to its clients.

Advisor does not compensate any person, directly or indirectly, for client referrals.

## **Item 15: Custody**

Pursuant to Rule 206(4)-2 under the Investment Advisers Act of 1940, Advisor may be viewed for regulatory purposes as having custody of certain client assets due to Advisor's ability to deduct fees directly from certain client accounts.

The Advisor does not maintain actual custody of client's funds or securities, nor is it authorized to hold or receive any stock, bond or other security or investment certificate or cash of its client's accounts. Custody of assets are maintained with independent custodians:

National Financial Services LLC  
Raymond James Financial Services, Ltd.  
TD Ameritrade Institutional, a Division of TD Ameritrade, Inc.  
Charles Schwab & Co., Inc.

The Advisor does not have custody of client funds or securities.

## **Item 16: Investment Discretion**

With the client's authorization as provided in the custodial account forms and the Advisor's Agreement, the Advisor will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. The Advisor will never have full power of attorney nor will the Advisor ever have authority to withdraw funds or to take custody of investor funds or securities other than the ability to deduct advisory fees via investor's qualified custodian and only with client authorization.

## **Item 17: Voting Securities**

Advisor does not perform proxy-voting services on a client's behalf. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. Upon request from the client, Advisor may provide limited clarifications of the issues presented in the proxy-voting materials based on Advisor's understanding of issues presented in the proxy-voting materials. The Advisor has the ability to recommend proxy votes based on its understanding of issues presented in the proxy-voting materials. However, the client will have the ultimate responsibility for making all proxy-voting decisions.

## **Item 18: Financial Information**

Advisor does not require or solicit prepayment of investment advisory services of more than \$1,200 in fees per client, six months or more in advance.

Advisor is not organized as a sole proprietor.

Advisor does not have any financial condition that is reasonably likely to impair its ability to meet contractual commitments to its clients.

Advisor has not been the subject of a bankruptcy petition at any time during the past ten years.

## **Item 19: Additional Information**

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