

# **Taber Asset Management, LLC**

## **Form ADV Part 2**

### **Brochure**

This brochure provides information about the qualifications and business practices of Taber Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at 515-557-1860. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Taber Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Taber Asset Management, LLC is 115849.

Taber Asset Management, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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[www.taberasset.com](http://www.taberasset.com)

[www.taberasset.net](http://www.taberasset.net)

Brochure prepared on May 10, 2011

This section of the Brochure will address only those “material changes” that have been incorporated since our last delivery or posting of this document on the SEC’s public disclosure website (IAPD) [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Taber Asset Management, LLC’s most recent update to Part 2 of Form ADV was made in March 2011.

Material Changes:

#### Other Financial Industry Activities and Affiliations

Our associated persons may receive benefit in the form of commissions for securities, insurance purchases and sales by clients.

Our commission related business (such as clients that continue to add to “A share” mutual funds) is handled by Carla S. Albers. Ms. Albers became Series 7 licensed several years ago with Nations Financial Group. Taber Asset Management, LLC focuses on advisory accounts and Ms. Albers handles the non-advisory (commission accounts).

We may, at any time, update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

Our brochure may be requested by contacting William E. (Bill) Taber, Chief Compliance Officer, at 515-557-1860 or [invest@taberasset.com](mailto:invest@taberasset.com). Our Brochure is also available on our web site [www.taberasset.com](http://www.taberasset.com) or [www.taberasset.net](http://www.taberasset.net) free of charge.

Additional information about Taber Asset Management, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Taber Asset Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Taber Asset Management, LLC.

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## Advisory Business

At Taber Asset Management, LLC, managing assets has been our core business since our founding in 1998. Taber Asset Management focuses on the high quality delivery of investment management, asset management, wealth management and financial planning services to our clients around the world.

We're an independent investment management firm, 100% owned by William E. (Bill) Taber. Our office is located in Des Moines, Iowa.

### Focused On Superior Investment Management

Working with Taber Asset Management, you receive cost-sensitive investment portfolio management, guided by our comprehensive investment research and delivered by seasoned professionals who work solely in your best interest. We offer complete objectivity and employ the best practices to define your objectives and implement a plan to reach your financial goals.

However, what sets your Taber Asset Management experience apart from what you'd receive from other firms will be the *quality of the relationship* that you forge with our team. While the focus of our business is helping clients build wealth and preserve assets, how we go about business and collaborate with you to understand and achieve your goals differentiates us in the financial services maze.

- Attentive customer care. Your questions and concerns will be addressed in a responsive, proactive manner, individualized for your specific needs. The service offered by our caring professionals is reliable, sincere, and extends beyond the typical advisor/client relationship.
- Easy access to account data. You benefit from the convenience of instant Web access to your Web-based account information.
- Reliable delivery. Objective advice, periodic meetings, portfolio reporting, and portfolio strategies are consistently offered by your Taber Asset Management professional.

### Unique In Getting Results

Building your wealth and preserving your assets is the focus of our business. What sets us apart in the financial services maze is how we go about business and collaborate with you to understand and achieve your goals.

## Fiduciary Standard Of Care

As independent Registered Investment Advisors, we offer complete objectivity—employing the best practices to define your objectives and implement a plan to reach your financial goals. Because we are not tied to any specific products or services, you won't encounter "flavor-of-the-day" investment or financial product advice.

## Your Needs Guide Our Process

Your specific goals and individual needs direct us to the best opportunities for planned growth. Because we utilize a time-tested and value-oriented investment approach with a competitive, fee-based pricing structure, you receive better value from our services—both today and in the future.

## We Make A Life By What We Give

At Taber Asset Management, you profit from a level of service that has traditionally been available to relatively few. Although we make a living by accepting fees for our advice, our firm philosophy reminds us that we truly make a life by what we give to others, and we are committed to your financial success.

William E. Taber, President of Taber Asset Management and a Registered Investment Advisor, received his Bachelors in Business Administration from the University of Iowa. He is also a graduate of the E-Myth Worldwide Mastery Business Development Program.

Prior to founding Taber Asset Management in 1998, Bill spent over a decade as the First Vice President of Principal Financial Securities, Inc. From 1979 to 1987, he was the Assistant Vice President of E.F. Hutton & Co., Inc. Between 1977 and 1979, Bill worked as a Corporate Services Representative for Bankers Trust Company.

Active in his community, Bill is a Community Representative to the Finance Committee and past Chair of Broadlawns Medical Center. He is a member of the Rotary Club of Des Moines, A.M. and serves on a Task Force for the Central Iowa Greenways Initiative.

In addition, Bill is a past member of the Polk County Health Services Executive Committee, Polk-Des Moines Taxpayers Association, and Greater Des Moines Leadership Institute. He was also a founding member of the Greater Des Moines Connections (mentoring) Program.

As of December 31, 2010, we manage approximately \$33,044,352 in client assets. Approximately \$25,020,513 is managed on a discretionary basis and \$8,023,839 million is managed on a non-discretionary basis.

## Advisory Services and Fees

Our firm provides investment advisory and consulting services to individuals, pension and profit sharing plans, trusts and corporations. Investment advice and portfolio management services are provided on a continuing basis and include the appropriate allocation of managed assets among cash, stocks, mutual funds and bonds. Through the selection of appropriate individual investments, we provide proper diversification and clients meet their stated investment objectives.

## Nations Financial Group Program

We have a relationship with Nations Financial Group where we provide certain clients of Nations Financial Group who require investment management services to utilize our management services. Nations Financial Group will assist you in defining your investment objectives by completing an investor questionnaire and updating suitability periodically.

## Financial Planning

We provide financial planning services including asset protection, wealth planning, pension consulting, retirement planning, estate planning, insurance consulting and other employee benefit consulting for you. These services includes gathering financial data, outlining goals, identifying problems, assessing risk tolerance and defining investment objectives based on the individual needs of the client. These services are billed at an hourly rate of up to \$225.00 per hour. A separate Financial Planning Agreement is executed with each client using this service. Half of the fee is due upon the signing of the Agreement and the balance is due upon delivery of the written plan. You may terminate this agreement without penalty with five business days of signing the agreement. Our clients will be entitled to a refund of any prepaid planning fees less a charge for any time spent on preparing the plan up to the point of termination. After the five business day period, our hourly clients will owe for any time spent on preparing the plan up to the point of termination based on the hourly rate agreed upon in the financial planning agreement. All fees are negotiable and confirmed in writing by agreement.

William E. Taber President of Taber Asset Management, LLC is license to sell, for sales commissions, insurance products through Lincoln National Life, among others. Mr. Taber is also a member of Taber Virtual Global Investment Network LLC , a distribution and sales entity.

## Termination

The relationship between the parties may be terminated by either party upon 30 days written notice. The client will be entitled to a pro rata refund of any pre paid fees based on the number of days remaining in the quarter after termination.

## Fees and Compensation

Our fee schedule is as follows:

Assets Under Management	Annualized Fee
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\$100,000 – 500,000	1.25%
\$500,001 – 1,000,000	1.10%
\$1,000,001 – 2,000,000	1.00%
\$2,000,001 – 3,500,000	0.80%
\$3,500,001 – 5,000,000	0.65%
Above \$5,000,001	0.50%

The client pays Taber Asset Management, LLC for its investment management services based upon the client's assets under management as set forth in above fee schedule. Advisory fees are negotiable. Such fees shall be assessed quarterly. Accounts opened in mid-quarter will be assessed at a pro-rated management fee. Fees are payable quarterly, in advance and such fees may be deducted from client's account(s) quarterly within thirty (30) days of the beginning of the calendar quarter.

Transactions that are executed by Nations Financial Group, a broker dealer, may be charged additional fees as executed in the client's investment portfolio in the normal course of managing such account. The fees are in addition to the fees described herein.

Fees are calculated on an incremental basis and are subject to change with 30 days written notice. Certain clients of Taber Asset Management, LLC with pre-existing relationships may initially be charged fees which are less than those set out above.

We maintain a Limited Power of Attorney or Trading Authorization for all discretionary accounts for the purposes of directing and/or otherwise effecting investments on behalf of the managed account. The Limited Power of Attorney or Trading Authorization extends on most discretionary and non-discretionary accounts for the direct payment of our fees and/or the payment of any commissions, custodial fees and or other charges incurred by the account(s).

Most of our clients pay for our investment advisory services through a direct debit to their accounts quarterly. We send a debit notice to clients in the mail to notify them of the amount to be debited. This notice is not a billing invoice and does not require a response.

#### Additional Fees and Expenses

To the extent mutual funds are selected by Taber Asset Management, LLC to fill components of the overall investment strategy, the annual advisory fee does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. Client is advised that, in addition to the annual advisory fee, some mutual funds in which assets are invested may incur separate other related expenses.

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your Account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. Fees charged are by the broker dealer / custodian.

We do not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investment you hold. The fees include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- Advisory fees charged by sub-advisers (if any are used for your account);
- Custodial Fees;
- Deferred sales charges (on MF or annuities);
- Odd-Lot differentials;
- Deferred sales charges (charged by MFs);
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions ;
- Among others that may be incurred.

In addition, we do not have or employ any “Employee” at all that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide consulting expertise / services. As a result, we are a “fee only” investment adviser. We do not have any potential conflicts of interest present that relate to any additional (and un-disclosed) compensation from you or your assets that we manage.



## **Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). Our advisory fee compensation is charged as disclosed above.

## **Types of Clients**

We provide our services to the following types of Clients:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations
- Pension and Profit Sharing Plans
- Corporations or other business entities

### **Minimum Account Size**

For managed accounts, a minimum initial account size of \$500,000 is generally required. We may negotiate a lower minimum account size. If the new account is related to an existing account, we may accept a new account with a minimum of \$100,000.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Our Investment Strategies**

We offer several investment strategies to you and in doing so may invest in a wide range of securities and other financial instruments including:

- Equity securities
- Exchange-listed securities
- Over-the-counter securities
- Securities of foreign issuers (including ADRs, EDRs and GDRs)
- Warrants
- Rights
- Restricted shares
- Options contracts
- Corporate debt
- Commercial paper
- Certificates of deposit
- United States government securities
- Municipal securities
- Investment company securities including variable life insurance products
- Variable annuities and mutual funds

As financial markets and products evolve, we may invest in other instruments or securities, whether currently existing or developed in the future, when consistent with client guidelines, objectives and policies.

### Security Analysis

Our security analysis method is fundamental analysis.

### Sources of Information

In conducting security analysis, we utilize a broad spectrum of information, including financial publications, third-party research materials, annual reports, prospectuses, regulatory filings, company press releases, and corporate rating services.

### Investment Strategies

We employ a range of investment strategies to implement the advice we give to clients including: long-term purchases, short-term purchases, margin transactions, and option strategies including writing covered options.

### Risk

Although we work hard to preserve your capital and achieve real growth of client wealth, investing in securities involves risk of loss that each client should be prepared to bear. Certain strategies may impose more risk than others. Depending upon the client need and investment mandate, we will endeavor to thoroughly explain the rules applicable and address them in the investment management agreement as well.

### Cash Management

Each client custodian “sweeps” non-invested cash balances in client accounts every day into a money market account selected by the client and offered as a service by the custodian. At client request, we will recommend the sweep vehicle among the choices offered by the custodian. In that case, we make a recommendation based on our understanding of the client’s tax status and risk preferences.

Money market sweeps generally fall into three categories: government money market funds, prime rated money market funds, and tax-exempt money market funds.

Our core expertise is active fixed income management (including corporate, government, and municipal bonds), risk-managed equity management (primarily common stocks) and customized balanced portfolios. Services include the management of a wide range of fixed income, balanced and equity portfolios. In addition to the types of securities described above, we may invest in preferred stocks, government agency obligations, money market instruments and such other securities that we may select, unless expressly limited by written direction or client guidelines.

## **Disciplinary Information**

Taber Asset Management, LLC and its employees do not have reportable disciplinary history.

## **Other Financial Industry Activities and Affiliations**

Our associated persons may receive benefit in the form of commissions for securities, insurance purchases and sales by clients.

Our commission related business (such as clients that continue to add to “A share” mutual funds) is handled by Carla S. Albers. Ms. Albers became Series 7 licensed several years ago with Nations Financial Group. Taber Asset Management, LLC focuses on advisory accounts and Ms. Albers handles the non-advisory (commission accounts).

Taber Asset Management, LLC receives Bloomberg services that are paid for by soft dollars from commissions received on our advisory accounts by Nations Financial Group.

## **Code of Ethics, Participation in Client Transactions and Personal Trading**

We have imposed restrictions upon ourselves or any person associated with us in connection with the purchase or sale, directly or indirectly, for their own account or accounts controlled by them, of securities recommended to or purchased for clients. We maintain strict guidelines and a Code of Ethics for all our employees designed to assure that we, or persons associated with us, may not benefit, directly or indirectly, from transactions made for the accounts of clients and that no other conflict of interest exists.

We, our officers, employees or directors, are required to pre-clear securities trades in order to avoid a conflict of interest between individual and client interests. Our Code of Ethics contains various exemptions for personal securities trades that we believe do not involve potential conflicts, such as Treasury Securities, open-end mutual funds and stock of companies that we will not purchase for clients. A copy of our “Code of Ethics” is available upon request.

### **Participation or Interest in Client Transactions**

Subject to satisfying this policy and applicable laws, officers, directors and employees of our firm may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients.

### **Personal Trading**

We anticipate that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which we have management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which we or our affiliates and/or clients, directly or indirectly, have a position of interest. Our employees and persons are required to follow our Code of Ethics.

#### Prohibition on Use of Insider Information

We have also adopted policies and procedures to prevent the misuse of "insider" information (material, non-public information). A copy of such policies and procedures is available to any person upon request.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2.

### **Brokerage Practices**

We manage client accounts on a discretionary basis (authority to act without first obtaining specific consent). It limits the discretionary authority by prohibiting us or our employees from withdrawing funds and/or securities from client accounts.

We have both discretionary and non-discretionary accounts. All clients currently have transactions placed through Nations Financial Group's trading desk at \$29.00 per stock trade and \$5.00 per bond/per thousand. All accounts currently have all securities and cash held (custodied) by First Clearing Group (A Wells Fargo Company).

We receive Bloomberg services that are paid by soft dollars from commissions received on our Advisory accounts by Nations Financial Group.

#### Broker Analysis

In an effort to achieve best execution, we consider the following factors in selecting brokers:

- Execution capability
- Order size and market depth
- Availability of competing markets
- Trading characteristics of the security
- Availability of accurate information comparing markets
- Quantity and quality of research received from the broker dealer
- Financial responsibility of the broker-dealer
- Confidentiality
- Responsiveness
- Ability and willingness to commit capital
- Availability of accurate information comparing markets
- The technology to process such data

- Other factors that may bear on the overall evaluation of best price and execution

We monitor and evaluate the performance and execution capabilities of brokers that transact orders for our client accounts to ensure consistent quality executions. In addition, we periodically review our transaction costs in light of current market circumstances, available published statistical analysis as well as other relevant information.

In return for effecting transactions through Nations, Taber may receive certain support services that may assist us in our investment decision-making process for all of our clients.

#### Principal vs. Agency Transactions

Taber does not trade any principal transactions.

### **Review of Accounts**

William E. Taber, President and CCO reviews the managed accounts. Specific reviews are made at least quarterly. Financial planning accounts are reviewed annually. The calendar is the triggering factor. Accounts at other money managers are reviewed when Taber Asset receives their statement- usually quarterly.

We do not have a limitation on the number of client accounts assigned to any particular account officer, nor is there a precise sequence or review schedule. All portfolios are reviewed by William E. Taber.

We prepare portfolio evaluations for the managed accounts. Client can choose to receive the portfolio evaluations monthly, quarterly or semi-annually. You will receive quarterly statements from your broker/dealers, mutual funds and other money managers, as appropriate. Those contracting only for preparation for a financial plan will not receive regular reports on their accounts as their agreement expires upon completion of the analysis and payment of the invoice.

### **Client Referrals and Other Compensation**

We may receive a benefit in the form of commissions for securities, insurance purchases and sales by clients from non-advisory clients.

### **Custody**

We do not have custody of client assets. Therefore, each client must select a custodian and may be required to pay custodian fees. Also, clients will incur brokerage and other transaction costs in the course of our management of their accounts. Clients will receive account statement from one or more qualified custodians covering the funds and securities in their account(s).

## Investment Discretion

We have discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities, for most clients. Such authority is provided in our contract with each client. In many cases, this discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. We have model portfolio guidelines available for clients to adopt, in whole or in part, if they do not have their own. Client investment guidelines may or may not limit the scope of potential investments. As a result, clients can impose restrictions on investing in certain securities or types of securities. Within client guidelines and instructions, we make decisions as to the nature and quantity of securities to be bought or sold.

## Wrap Account Management

We also manage client accounts through wrap fee programs sponsored by brokers or consulting firms. These "sponsor" firms generally enter into contracts with their clients to provide a variety of services for a predetermined fee. These fees typically include all or some of the following: outline of client goals and objectives, asset allocation strategy, selection of advisors where appropriate, payment of advisers' management fees, custody of client assets, execution of trades for the client at no additional fee or commission, and the monitoring of the investment performance on client assets. It is the responsibility of the sponsoring organization to notify the client of the services provided by Taber and the portion of the attributable fee paid. As these programs are generally part of a multiple client program, they offer efficiencies to participating managers. As such, fees paid to Taber are lower than are otherwise available.

We manage our wrap fee accounts in the same manner as our other accounts. However, wrap fee accounts may have lower account minimums than our other accounts and, therefore, we may not be able to manage them identically to our larger accounts. For example, the smaller the size of the account, the less it is possible to efficiently hold certain small blocks of securities in the account.

We receive a portion of the wrap fee for managing wrap accounts in the following programs:

<u>Sponsor</u>	<u>Name of Program</u>
Nations Financial Group	Third Party Managers
Wells Fargo Advisors	Private Advisory Network

## Voting Client Securities

As a matter of firm policy and practice, Taber Asset Management, LLC does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for

receiving and voting proxies for any and all securities maintained in client portfolios. Taber Asset Management, LLC may provide advice to clients regarding the clients' voting of proxies.

## **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Taber Asset Management, LLC's financial condition. Taber Asset Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance and therefore do not have any material financial disclosures.

### **Additional Information**

#### **Business Continuity Plan**

We have a Business Continuity Plan that addresses how the Firm will respond to events that may disrupt its business. If the main telephone line is inactive, the emergency number is 515-280-1615. If the emergency line is down, please contact Scott Bennett or Brian Wilkinson at our brokerage firm, Nations Financial Group, Inc. at 800-351-2471. We will resume operations as quickly as possible (preferably within twenty-four hours) depending on the severity of the business disruption. Our Business Continuity Plan covers data backup and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, regulatory reporting and the assurance of prompt access to funds and securities for our customers. Additional details regarding the firm's Business Continuity Plan are available upon request.

#### **Privacy Notice**

We do not disclose nonpublic personal information about our present or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced or improved products or services we provide. We maintain physical, electronic and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.