

# Titleist

ASSET  
MANAGEMENT, LTD.

Securities and Exchange Commission Form ADV 2A

CRD NUMBER: 126136  
SEC NUMBER: 801-80959

MARCH 9, 2016  
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. If you have any questions about the contents of this brochure, please contact us at 210.826.2424 or via email directly to the Chief Compliance Officer at [lmimari@tamgmt.com](mailto:lmimari@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.

In October 2015, Titleist Asset Management, Ltd. completed its transition from being a State Registered Investment Advisor with the Texas State Securities Board to a federally covered Registered Investment Advisor with the United States Securities and Exchange Commission. Completion was finalized by “Notice Filing” with the Texas State Securities Board and also withdrawing its registration as a State Registered Investment Advisor with the Texas State Securities Board.

Mr. Leon A. Mimari was named Chief Compliance Officer of the Advisor, effective October 1, 2015. Mr. Joe-Ben O’Banion had previously served in that role since 2003.

## Item 3: Table of Contents

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## Item 4: Advisory Business

### Description of the Advisory Firm

Titleist Asset Management, Ltd. (referred hereinafter to as “Advisor”) offers personalized investment advisory services to clients as described as asset management services. These services, as defined, include giving continuous investment advice. Advisor shall perform a review of the variables that are presented. Such review may include, but would not necessarily be limited to, investment objectives, consideration of 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.

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, effective October of 2015.

### **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

### **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

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

## 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:

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

**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 will be 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 will be 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 sixty-five (65) 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 for giving investment advice or managing client assets.

- **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.
- **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.
- **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.

## 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

## **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 firm, National Financial Services, LLC.

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.

## **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**

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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