

# DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1  
Part 2A of Form ADV: Firm Brochure



Firm IARD/CRD #: 148816

Reston Wealth Management, LLC

REGISTERED INVESTMENT ADVISOR

This Disclosure Brochure provides information about the qualifications and business practices of Reston Wealth Management, LLC, which should be considered before becoming a client. You are welcome to contact us if you have any questions about the contents of this brochure – our contact information is listed to the right. Additional information about Reston Wealth Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Reston Wealth Management, LLC has attained a certain level of skill or training.

1984 Isaac Newton Square W  
Suite 107  
Reston, Virginia 20190

Tel: 703.481.2280  
Fax: 703.935.6402

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

BROCHURE  
DATED  
**28**  
**MARCH**  
**2024**

## MATERIAL CHANGES

---

ITEM 2

There are no material changes to report since the last filing on March 31, 2023.

## TABLE OF CONTENTS

ITEM 3

<b>ITEM 1</b>	<b>Cover Page</b>	<b>1</b>
<b>ITEM 2</b>	<b>Material Changes</b>	<b>2</b>
<b>ITEM 3</b>	<b>Table of Contents</b>	<b>3</b>
<b>ITEM 4</b>	<b>Advisory Business</b>	<b>4</b>
	Who We Are	4
	Assets Under Management	4
	What We Do	5
<b>ITEM 5</b>	<b>Fees &amp; Compensation</b>	<b>9</b>
	Discovery Meeting	9
	Portfolio Management Fee	9
	Wealth Planning Fee	12
	529 College Saving Plan Administrative Fee	13
<b>ITEM 6</b>	<b>Performance-Based Fees &amp; Side-By-Side Management</b>	<b>13</b>
<b>ITEM 7</b>	<b>Types of Clients</b>	<b>13</b>
<b>ITEM 8</b>	<b>Methods of Analysis, Investment Strategies &amp; Risk of Loss</b>	<b>13</b>
	Methods of Analysis	13
	Investment Strategies	14
	Managing Risk	15
<b>ITEM 9</b>	<b>Disciplinary Information</b>	<b>16</b>
<b>ITEM 10</b>	<b>Other Financial Industry Activities &amp; Affiliations</b>	<b>16</b>
	Insurance Company Activities & Affiliations	16
<b>ITEM 11</b>	<b>Code of Ethics, Participation or Interest in Client Transactions &amp; Personal Trading</b>	<b>16</b>
	Code of Ethics	16
	Client Transactions	17
	Personal Trading	17
<b>ITEM 12</b>	<b>Brokerage Practices</b>	<b>18</b>
	Custodial Services	18
	Aggregating Trade Orders	19
<b>ITEM 13</b>	<b>Review of Accounts</b>	<b>19</b>
	Portfolio Management Reviews	19
	Wealth Planning Reviews	19
<b>ITEM 14</b>	<b>Client Referrals &amp; Other Compensation</b>	<b>20</b>
	Referral Compensation	20
	Other Compensation (Indirect Benefit)	20
	Wealth Planning Compensation	20
	Retirement Rollover Compensation	21
<b>ITEM 15</b>	<b>Custody</b>	<b>21</b>
	Management Fee Deduction	21
<b>ITEM 16</b>	<b>Investment Discretion</b>	<b>22</b>
<b>ITEM 17</b>	<b>Voting Client Securities</b>	<b>22</b>
<b>ITEM 18</b>	<b>Financial Information</b>	<b>22</b>

## ADVISORY BUSINESS

ITEM 4

### Who We Are

Reston Wealth Management, LLC<sup>1</sup> (hereinafter referred to as “the Company”, “we”, “us” and “our”) is a fee-based registered investment advisor<sup>2</sup> offering a wide range of financial services<sup>3</sup> designed to assist you, our client<sup>4</sup>, in achieving the financial stability, security, and independence you desire.

### Owner

The following person controls the Company:

Name	Title	CRD#
Robert E. Tucker III	Managing Member	1610751
Alexander C. Voorhees	Partner	6153993

### Our Mission

Our mission is to foster a lasting relationship with you founded on mutual trust, concern, respect, and to honor God in all we do. Together we will come alongside you . . . to **hold in trust** your financial future as if it were our own . . . to be **the resource** you turn to for clear, objective, and sound investment advice . . . to **guide you** as we explore what you value to ultimately set a course to pursue **tomorrow’s dreams**, and a strategy to build a **lasting legacy** for future generations.

We will do our best to **keep you focused** on where you want to go, **offer advice** on how best to get there, and continually remind you of the importance of **maintaining a disciplined financial strategy** to realize your dreams.

### Assets Under Management

As of January 1, 2024, our assets under management totaled:

Discretionary Accounts.....	\$399,417,129
Non-Discretionary Accounts.....	\$ 12,336,966

<sup>1</sup> Reston Wealth Management, LLC was organized as a Limited Liability Company in the Commonwealth of Virginia in 2003.

<sup>2</sup> The term “registered investment advisor” is not intended to imply that Reston Wealth Management, LLC has attained a certain level of skill or training. It is used strictly to reference the fact that we are “registered” as a licensed “investment advisor” with the United States Securities & Exchange Commission – and “Notice Filed” with State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

<sup>3</sup> Reston Wealth Management, LLC is a **fiduciary**, as defined within the meaning of the Employer Retirement Income Security Act of 1974 (“ERISA”) or as defined under the Internal Revenue Code of 1986 (the “Code”) for any financial services provided to a client **who is**: (i) a plan participant or beneficiary of a retirement plan subject to ERISA or as described under the Code; or, (ii) the beneficial owner of an Individual Retirement Account (“IRA”).

<sup>4</sup> A client could be an individual and their family members, a family office, a foundation or endowment, a charitable organization, a corporation and/or small business, a trust, a guardianship, an estate, or any other type of entity to which we choose to give investment advice.

## What We Do

---

We provide **financial solutions** that stress the importance of you making fiscally responsible decisions and disciplined economic choices in your personal life, so we can effectively help you achieve your monetary goals.

The focus of our advice begins with identifying your standards of living and quality of lifestyle expectations. We will accomplish this through an initial **Discovery Meeting** where we will review the financial documents we asked you to bring for discussion. Together questions will be asked, information shared, and an evaluation made as to whether we should move to the next step. During our meeting(s), we will:

- Learn about your core values and guiding principles
- Seek to understand your financial concerns and how you have been addressing them
- Discover your financial objectives and what success looks like for you
- Create an internal profile consisting of your concerns, objectives, relationships, values, interests, assets, professional advisors and process preferences

Moving forward from the Discovery Meeting, should you choose to engage us for our advisory services, we will begin the process of identifying your life goals (i.e., core values, family, monetary needs, future plans, etc.). Our services include:

### Portfolio Management

---

Our portfolio management strategies focus on designing and managing a diversified allocation of Investment Company ("mutual funds") products, Exchange-Traded Funds ("ETFs"), along with the occasional mix of equity ("stock") positions and fixed-income/debt ("bond") instruments to pursue a return on your investment capital<sup>5</sup> consistent with your objectives.

### Third Party Money Manager

---

We may recommend that you use the services of a third party money manager to manage a portion of your investment portfolio. Factors that we take into consideration when making our recommendation include, but are not limited to, the following: the money manager's performance, methods of analysis, fees, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the money manager's performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The money manager will actively manage your portfolio and will assume discretionary investment authority over a portion of your account. We will assume discretionary authority to hire and fire this manager and/or reallocate your assets to other money managers where we deem such action appropriate.

Information regarding our management fee structure is disclosed under "Portfolio Management Fee" in Item 5, "**Fees & Compensation**" and further description of our investment strategies under Item 8, "**Methods of Analysis, Investment Strategies & Risk of Loss**".

---

<sup>5</sup> You may, at any time, impose restrictions in writing on the securities we may recommend (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

## Wealth Planning

Wealth planning is an essential tool to help navigate unexpected events with the ultimate goal of providing the confidence and security necessary during both the working years (wealth accumulation) and retirement years (wealth distribution) of your life. However, such **planning requires a lifetime commitment**, not only from you but from us as well, your Financial Planner.

### What is a Wealth Plan?

Wealth planning is an evaluation of the investment and financial options available to you based upon your defined life goals and choices. A well-designed plan is a step-by-step process intended to identify and clarify purpose, personal and family core values, needs, and priorities to align your financial decisions with your goals in all areas of your life and business. Planning includes:

- Arriving at a series of decisions and action items based on current and future financial circumstances and defined goals and objectives;
- Projecting the consequences of these decisions for you in the form of an economic plan – a **working blueprint**; and,
- Implementing the protocols outlined in the plan to achieve the plan objectives.

Once complete, the wealth plan, or working blueprint, becomes the benchmark that is used to help us evaluate where you are in achieving your financial goals, needs, and objectives.

### Wealth Planning Composition

All forms of wealth planning are a **mutually defined review, analysis and evaluation** of your personal financial needs and goals. In general, our wealth planning may encompass one or more of the following areas of financial need as communicated by you:

- Identify and clarify personal and family core values, mission, vision, and goals.
- Preparation of the wealth plan, which encompasses your:
  - Current financial situation
  - Liquidity and asset preservation needs
  - Wealth accumulation and growth
  - Wealth distribution and transferMore specifically planning may include, but is not limited to, the following modules:
  - Financial Statements – Cash Flow and Balance Sheet
  - Savings and Emergency Reserves
  - Asset Allocation and Investment Portfolio Analysis
  - Potential Income Tax consequences in collaboration with your tax advisor
  - Risk Management and Insurance Analysis
  - 529 College Education Plans
  - Retirement Income Analysis
  - Long-Term Healthcare
  - Estate and Family Legacy Planning in collaboration with your estate attorney
  - Business Succession Planning
- Outline of recommendations, strategies, solutions and resources
- Prioritizing and implementing the written action plan
- Investment consultations that allow us to create and implement a customized investment strategy tailored to your long-term investment goals

- Facilitate meetings with you and/or other specialists within our network
- Coordinate and facilitate meetings with family members, business associates, partners or other key individuals to assist with implementing your action plan

### Preparing the Wealth Plan

In the development of your unique plan we will follow the six (6) step Financial Planning Practice Standards process established by the Certified Financial Planner Board of Standards, Inc. These steps are defined as follows:

#### Step 1: *Establish and define a mutual relationship.*

The first step is to conduct an introductory Discovery Meeting. During this meeting we will learn about each other and whether we can work together to achieve your financial objectives. We will listen as you share your needs, concerns, priorities, and what success looks like for you. We will in-turn, share how we can help you meet your stated personal and financial objectives, and the responsibilities we have as a fiduciary to guide you on this journey.

In the end, we will explain the cost of completing the desired wealth planning service for you to decide whether you want to move forward with the next step in the planning process.

#### Step 2: *Gathering data and determining goals and objectives.*

In the second step of the planning process, we learn about you and what you want to achieve. This is accomplished through personal interviews and questionnaires<sup>6</sup>, which are designed to address your unique wealth planning needs. You will have the opportunity to prioritize objectives and to remove from the process any areas that are not applicable to your circumstances. The time we invest listening and catering to your wants and needs is critical for developing a strong wealth planning foundation.

#### Step 3: *Analyze and evaluate your financial status.*

In this third step, we analyze the information you provided to determine your current financial situation and what you should do to meet your goals. Depending on the services you requested, this might include analyzing: (i) your assets, liabilities and cash flow; (ii) your current insurance coverage and investments; and, (iii) your tax strategies and estate planning documents.

#### Step 4: *Develop and present wealth planning recommendations and/or alternatives.*

Once the analysis has been completed, we begin formally documenting your goals and objectives. We define the plan as a road map (a series of blueprints) designed to take you from where you currently are financially, to where you want to be at some point in the future. This is the creative portion of the process.

---

<sup>6</sup> The information we gather from you through personal interviews and questionnaires is vital for us to effectively advise you on your unique financial needs and help you plan for your future. Electing to dismiss certain requested documents or respond to questions with limited input can put us at a disadvantage and handicap our ability to successfully meet your financial expectations. Therefore, if you want the best advice we can offer in designing a wealth plan or with any portfolio management, you should make every effort to provide us with detailed personal information and be as accurate with your responses as you possibly can.

There are usually several ways to accomplish a given goal. The objective, however, is to integrate financial instruments and strategies into a plan that you will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help you reconcile the gap between your expectations and your financial realities. Once a viable plan has been drafted, it is presented to you and reviewed. The draft and review process may be repeated until you are satisfied with the wealth plan or the scope of work has been completed.

There may be additional costs for you to implement your plan under steps 5 and 6. You have the choice to allow us to implement your wealth plan or you can use another outside professional.

**Step 5: *Implement the planning recommendations.***

A wealth plan is of limited value if it is not put into action. Accordingly, we assist you with implementing<sup>7</sup> the plan. The action plan schedule provides you with a list of tasks and deadlines designed to ensure that you put your plan into action. The following are some examples of implementation:

- Drafting of appropriate estate documents (performed in conjunction with an estate attorney).
- Purchase of various insurance policies (provided by our licensed insurance agents or another independent insurance agent of your choice).
- Investment advisory services and implementation of your asset allocation strategy (performed by us, or another investment adviser/broker-dealer of your choice).
- Ongoing income tax planning (performed in conjunction with independent Certified Public Accountant or tax accountant).

**Step 6: *Monitor the planning recommendations.***

Once the plan has been built and the recommendations have been implemented it is critical that these recommendations be monitored on a continuing basis to ensure that they remain consistent with your financial parameters. Material changes in your personal circumstances, the general economy, changes in the way you want your investments allocated, or tax law changes are some of the reasons why the recommendations should be reviewed periodically and possibly adjusted.

For information on our fees for wealth planning, see “Wealth Planning Fees” under Item 5, “Fees & Compensation.”

---

<sup>7</sup> Implementing the recommendations made in a wealth plan often requires consultation or coordination with one or more outside professionals (e.g. attorneys, CPAs, insurance agents, and securities representatives). All personal and private information received from you will be kept entirely confidential, not only by us, but by the outside professionals as well. Your confidential information will be disclosed to third parties only with your consent or as may be permitted or required by law.



## FEES & COMPENSATION

### Discovery Meeting

During the Discovery Meeting, we will review the financial documents we requested you bring for discussion. The objectives we strive to accomplish with you during this meeting are to:

- Diagnose your current financial need;
- Address your financial concerns and answer your questions on how we can assist you;
- Recommend financial resolutions aimed at lowering costs, reducing risks, increasing expected returns, and/or increasing tax efficiency to improve the likelihood of successfully achieving your goal;
- Explain our investment methodology and how our investment strategies work; and,
- Explain the benefits of wealth planning and how a comprehensive evaluation of wealth management needs is beneficial beyond just managing your investable assets.

From the Discovery Meeting, moving forward with portfolio management and/or wealth planning will require you to complete initial contractual agreements and new account forms to get started. Should you determine we are not a good fit for your financial needs as we conclude the Discovery Meeting, all investment advice and wealth planning recommendations will have been concluded and we are not responsible to implement the advice or for any on- going supervision, monitoring, and/or reporting.

### 1. Portfolio Management Fee

All portfolio management services are provided on an **asset-based** fee arrangement to be determined based on the following fee schedules and where your assets will be custodied.

The management fee is calculated based on the **aggregate market value** of your account on the last business day of the previous calendar quarter multiplied by one-fourth of the corresponding annual percentage rate for each **portion of your portfolio assets that fall within each tier** (see "Billing" below under "Protocols for Portfolio Management" for more information on how this fee is calculated).

We retain discretion to **negotiate the management fee within each tier** on a client-by-client basis depending on the size and complexity of the portfolio managed. In addition, as your portfolio value exceeds each tier level, either through additional deposits or asset growth, **a fee break will occur for that portion of your portfolio that falls within that tier level**. The tier breaks are as follows:

Account Value	Annual Fee Rate Not to Exceed
First \$500,000 .....	1.25%
Next \$500,000 .....	1.20%
Next \$1,000,000 .....	1.10%
Next \$3,000,000 .....	0.95%
Over \$5,000,000 .....	0.80%

We generally require a minimum initial investment of \$750,000 to open a managed account; however, we retain the right to **waive or reduce** this minimum if we feel circumstances are warranted.

Pre-existing advisory clients are subject to our minimum account requirements and advisory fee arrangements in effect at the time the client entered into the advisory relationship. Therefore, our minimum account requirements and advisory fees will differ among clients.

### Protocols for Portfolio Management

---

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) your bill for investment services; (iii) deposits and withdrawals of funds; and (iv) other fees charged to your account(s).

#### Discretion

Unless you request non-discretionary<sup>8</sup> portfolio management, we will establish discretionary trading authority on all your accounts to execute securities transactions at any time without your prior consent or advice.

You may, at any time however, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, etc.).

#### Billing

Your account will be billed **quarterly in advance** based on the fair market value for the portion of your portfolio that falls within each tier of our fee schedule.

As your portfolio value exceeds into the next tier level, either through additional deposits or asset growth, the amount of assets above the fee-break will be billed the corresponding annual fee rate. This results in a **weighted average annual fee**, which **lowers the annual fee costs** to manage your portfolio. **The more you invest, the less each successive tier costs.**

#### Deposits and/or Withdrawals

For **new managed accounts** opened mid-quarter, our fee will be a pro-rated calculation of your assets to be managed for the current calendar quarter. For **existing management accounts (except for annuity accounts)**, pro-rated adjustments **will be made** for partial deposits and/or withdrawals between billing cycles.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees.

#### Cash Balances

Cash is considered to be an asset class and is included in our fee calculations. At times our fees will exceed the money market yield on the cash balance of your portfolio. When this happens, the advisory fee will be higher than the interest a client will earn on their cash balance or the return earned on money market funds.

---

<sup>8</sup> Managing your portfolio on a non-discretionary basis means we cannot execute securities transactions in your account without first obtaining your verbal consent to perform the trades. Therefore, you understand that in the event of a market correction, should we be unable to communicate our intent, your account could experience greater market volatility over accounts managed on a discretionary basis.

### Fee Exclusions

We have elected to bear all transaction costs for LPL Financial, LLC accounts associated with the purchase/sale of securities held in your account from our portfolio management fees. We feel this arrangement is made in your best interest and can increase your investment returns; however, before you engage us to manage your account, you should consider the following:

- Your account can be charged for additional expenses<sup>9</sup> other than the transaction costs we have agreed to pay. At your request we will gladly provide you a list of possible fees charged to your account.
- Since we bear the responsibility to pay all transaction costs, **this creates a conflict of interest and a financial incentive for us to trade less frequently.** However, the asset allocation structures we design are generally not traded except to rebalance portfolios and therefore such transaction costs are minuscule.
- Transaction costs vary by security types. **This is a conflict of interest since it creates an incentive for us to select securities for managed accounts that cost less than other types of securities.** Our asset allocation structures generally do not deviate from a select group of mutual fund families and ETFs and therefore should not be an issue.
- **This fee arrangement is not for everyone.** You should consider our trading patterns and investment strategies; including, the frequency of trading and the number and size of transactions. If you desire a more aggressive trading program, our asset allocation strategies may not be the right fit for you.
- You should consider the costs and potential benefits of this arrangement as compared to paying commissions on a per-trade basis and your overall investment objectives and goals.

### Mutual Fund Expenses

All fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the Investment Company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as 12b-1 fees.

Redemption fees, account fees, purchase fees, contingent deferred sales charges, and other sales load charges may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds/ETFs is contained in each mutual fund's or ETF's prospectus. You are encouraged to carefully read the fund prospectus.

### Termination of Portfolio Management Services

To terminate our portfolio management services, either party (you or us) by **written notification to the other party**, may terminate the Investment Advisory Agreement at any time. Such notification should include the date the termination will go into effect along with any final instructions on the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity).

---

<sup>9</sup> We are not responsible for the following expenses to your account: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, such as, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with non-eligible assets held in your account or with securities and other property held outside of your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In the event termination does not fall on the first/last day of a calendar quarter, **you shall be entitled to a pro-rated refund of the prepaid quarterly management fee based upon the number of days remaining in the quarter after the termination notice goes into effect. Once the termination of all portfolio management services has been finalized, neither party has any obligation to the other - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.**

## **2. Wealth Planning Fee**

In addition to the portfolio management fee, you may also be charged a wealth planning fee. Wealth planning fees are usually **waived if we manage over \$750,000 of your portfolio account(s)**. If assets in your portfolio management account(s) are less than \$750,000, the following billing arrangements are applicable depending on the service you desire and the complexity of the wealth plan we design.

Wealth planning is a mutually defined planning project offered for a **negotiable fixed fee not to exceed \$20,000 annually billed on a quarterly basis**. The fee will be fully disclosed in a Wealth Planning Agreement, which will include the cost<sup>10</sup> to review your financial information and prepare the comprehensive wealth plan.

It is important to note that any **planning is dynamic - never static**. It therefore must be periodically re-evaluated. A wealth plan is a roadmap that is only as good as how well it reflects your current financial position to then guide you on a clear path to a future financial destination. **Changing circumstances in your life often necessitate periodic reviews designed to systematically address these unexpected diversions and continually keep you on the right road towards your future financial destination.**

Once the initial wealth plan has been completed, we will establish future "Review" dates if you choose to continue as a wealth planning client. The Reviews generally occur **after each one-year anniversary** and will be used to review and make adjustments, if necessary, to the wealth plan. Together we will set the calendar dates for your future reviews; inasmuch, a Review may consist of three or four reviews during the calendar year.

If we are **not managing** your investment portfolio and you want us to review your wealth plan, we will notify you of the cost to perform the desired work before commencing with any planning.

### **Termination of Wealth Planning Services**

You can terminate the Wealth Planning Agreement at any time prior to the presentation of any final planning documents. We will be compensated through the date of termination for time spent in design of such financial documents at the hourly rate agreed to in the Agreement. If you have prepaid any fees, such un-earned fees will be returned on a pro-rata basis. **Once the wealth plan has been completed and presented to you, termination of the Wealth Planning Agreement is no longer an option.**

<sup>10</sup> Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with you to perform a particular task and therefore merits notifying you of the additional cost prior to beginning such services.

### 3. 529 College Saving Plan Administrative Fee

We do not charge a portfolio management fee on 529 college savings plan accounts. We charge a separate annual administration fee for the management of each beneficiary's college savings plan account. This administration fee is based on the account balance on the last trading day of June each calendar year.

Account Size	Annual Administration Fee <sup>a</sup> Per Beneficiary
Below \$5,000 .....	\$25
\$5,000 - \$10,000 .....	\$50
Over \$10,000.....	\$100

\* Maximum Fee Per Family: \$250

This administration fee is **not pro-rated**, and you are expected to pay the administration fee annually in arrears by check. The administration fee is not part of the fees charged by the 529 plan itself. Please refer to each plan's prospectus to ascertain the fees and expenses for your particular plan.

## PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

## TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under "Who We Are" in the Item 4, the "Advisory Business" section. Our minimum account size for portfolio management is disclosed above under "Portfolio Management Fee" in Item 5 above in the, "Fees & Compensation" section of this Brochure.

## METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

ITEM 8

Our portfolio management services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance to yield an effective investment strategy and portfolio allocation. Your portfolio is then tailored to these unique investment parameters using a diversified allocation of Investment Company ("mutual funds") products, Exchange-Traded Funds ("ETFs"), along with the occasional mix of equity ("stock") positions and fixed-income/debt ("bond") instruments to pursue a return best return on your investment capital consistent with your objectives.

### Methods of Analysis

In analyzing securities to develop an efficient asset allocation portfolio, we will use a combination of analysis techniques to gather information and to guide us in our management decisions.

## Fundamental Analysis

Fundamental analysis considers: efficiency ratios, growth rates, enterprise value, economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

**RISKS** - Fundamental analysis places greater value on the long-term financial structure and health of a company, which may have little to no bearing on what is actually happening in the market place. Investing in companies with sound financial data/strength and a history of healthy returns can be a good long-term investment to hold in your portfolio; however, such fundamental data does not always correlate to the trading value of the stock on the exchanges. In the short-term, the stock can decrease in value as investors trade in other market sectors.

## Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic, foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

**RISKS** - Technical analysis is charting the historical market data of a stock, taking into consideration current market conditions, to forecast the direction of a future stock price rather than using fundamental tools for evaluating a company's financial strength. Technical analysis focuses on the price movement of a security trading in the market place. This is an ideal tool for short-term investing to identify ideal market entry/exit points. However, no market indicator is absolutely reliable, and your investment portfolio can underperform in the short-term should the market indicators be incorrect.

## Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit strategies.

**RISKS** - Cyclical data reveals regular intervals of repeated events that can be forecasted into the future to time the market on when to buy/sell a security. The risk with cyclical analysis is attempting to buy/sell a security based on a future price prediction and missing beneficial movements in price due to an error in timing. This causes harm to the value of the security being bought too high or sold too low.

**Fundamental analysis** provides us with a broad long-term view of a security that begins with determining a company's value and the strength of its financials while **technical analysis** is short-term focusing on the statistics generated by market activity. **Cyclical analysis** provides us with historical data on market trends to focus our analysis for ideal entry/exit points.

## Investment Strategies

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio. We understand markets and **money made** from increased stock values has greater risk (volatility) than **money earned** from dividends (secure and stable) in income-oriented securities. Our goal is to balance making and earning money by maintaining a disciplined management approach, regardless of the strategy, so as to not sacrifice long-term goals for short-term gains. However, our investment strategies generally incorporate these methodologies:

---

## Modern Portfolio Theory

Modern Portfolio Theory ("MPT")<sup>11</sup> is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk and then construct a portfolio that seeks to maximize your expected return for that given level of risk.

---

## Asset Allocation

Asset allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this we may use more narrow and aggressive asset allocation derivatives.

---

## Dollar-Cost Averaging

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

---

## Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the **market risk** factor, also known as variability or volatility risk. Other important risk factors:

- **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.
- **Equity Risk** - Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in international securities can be affected by changes in exchange rates.
- **Liquidity Risk** - A financial risk where a company is unable to meet short-term financial obligations without selling either hard-assets or finding another way to reduce the discrepancy between cash flow and debt obligations.
- **Inflation Risk** - The reduction of purchasing power of investments over time.
- **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, and over-concentration to name a few. However, notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear; and furthermore, past market performance is no guarantee that you will see equal or better future returns on your investment.**

---

<sup>11</sup> Modern Portfolio Theory was developed and introduced by Harry M. Markowitz in his paper "Portfolio Selection" published in 1952 by the *Journal of Finance*.



## DISCIPLINARY INFORMATION

ITEM 9

We have no legal or disciplinary events to report.

## OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

### Insurance Company Activities & Affiliations

Certain of our Investment Advisor Representatives ("IARs") are licensed as life, health, and annuity insurance agents by the Commonwealth of Virginia and as non-resident agents in other states. As agents, such IARs are licensed to sell insurance-related products and earn commissions from the sale of these products. A conflict of interest can potentially occur when our IARs, as trusted advisors managing your portfolio for a fee, recommend you purchase an insurance product in which they will earn a commission. This can create a situation of divided loyalty and the objectivity of the advice we render could be subjective and create a disadvantage to you.

You are under no obligation to accept our IARs' recommendation to purchase insurance related products. **You are free to reject their recommendations** or, if you need the insurance, to choose the insurance agency, agent, and insurance company from whom to purchase the insurance. However, keep in mind, if you elect to purchase insurance, regardless of where, and from whom you purchase it, such person will be entitled to earn a commission.

For further information on potential conflicts and economic benefits from our IARs' activity as insurance agents, see "Wealth Planning Compensation" below under Item 14, "Client Referrals & Other Compensation" of this Brochure.

## CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

### Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, we have adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. Our Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- Honest and ethical conduct.
- Full, fair and accurate disclosure.
- Compliance with applicable rules and regulations.
- Reporting of any violation of the Code.
- Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.



## Client Transactions

---

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

### Participation or Interest

---

It is against our policies for any owners, officers, directors and employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

### Insider Trading Policy

---

We comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. We do not share any non-public information with anyone who does not need to know and have established internal controls to guard your personal information.

### Class Action Policy

---

The Company **does not elect to participate** in class action lawsuits on your behalf. Such decisions shall remain with you or with an entity you designate. However, if you have specific questions you may contact us, and we will help explain the particulars. Keep in mind, any final determination of whether to participate, and the completion and tracking of any such related documentation, shall rest with you.

## Personal Trading

---

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Sometimes, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made, at or about the same time, in an employee's account. This practice can create a conflict of interest as our employees may benefit from the sale and purchase of those securities. In these situations, we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative ("IAR"), or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. Our Chief Compliance Officer reviews securities holdings for all our access employees on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Aggregating Trade Orders" below under Item 12, "Brokerage Practices") may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by our Chief Compliance Officer to ensure that such activities do not create conflicts of interest.

## BROKERAGE PRACTICES

### Custodial Services

The Company maintains a custodial relationship primarily with LPL Financial, LLC ("LPL") a licensed registered broker-dealer (member FINRA/SIPC), through their Strategic Wealth Management platform for investment advisors (the Company may use another qualified custodian if necessary). LPL offers us services, which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with LPL has no direct correlation to the services we receive from LPL and the investment advice we offer you, although **we do receive economic benefits for which we do not have to pay** through our relationship with LPL that are typically not available to LPL retail clients. This creates an incentive for us to recommend LPL based on the economic benefits we receive rather than on your interest in receiving most favorable execution. These economic benefits include the following products and services provided without cost or at a discount:

- Receipt of duplicate client statements and confirmations;
- Research related products and tools and consulting services;
- Access to a dedicated trading desk;
- Access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts);
- The ability to have advisory fees deducted directly from accounts;
- Access to an electronic communications network for order entry and account information; and,
- Access to mutual funds and ETFs with no transaction fees and to certain institutional money managers.

We are not a subsidiary of, or an affiliated entity of, LPL. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from LPL.

### Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. The advisory support services we receive from LPL creates an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with LPL may have been influenced by these arrangements/services. **This is not the case**; we have selected these institutions as our custodian of choice based on:

1. Their competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Their general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with LPL staff.

Since we do not recommend, suggest, or make available a selection of custodians other than LPL, **best execution may not always be achieved**. Therefore, **you do not have to accept our recommendation to use LPL as your custodian**. However, if you direct us to use another custodian, we may not be able to provide you complete institutional services and such service may cost you more in transaction fees.

## Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we typically bunch (aggregate) orders for a block trade when: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition, preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

## REVIEW OF ACCOUNTS

ITEM 13

### Portfolio Management Reviews

The investment strategies for the Company are monitored by our our President, Robert E. Tucker, III, and and by Wealth Advisor, Alexander Voorhees. Your investment account is also reviewed on an on-going basis by the Investment Advisor Representative (“IAR”) over your account. The general economy, market conditions, and/or changes in tax law can trigger more frequent reviews. Cash needs will be adjusted as necessary. Material changes in your personal/financial situation and/or investment objectives will require additional review and evaluation for us to properly advise you on revisions to previous recommendations and/or services. However, it is **your responsibility to communicate these changes** for us to make the appropriate corrections to your management account(s).

You will receive statements, at least quarterly, from LPL, where your account(s) is/are held in custody. Such statements will identify your current investment holdings, the cost of each of those investments, and their current market values.

You are encouraged to review the trading activities disclosed on your account statements which summarizes your portfolio account value, current holdings, and all account transactions made during the quarter. **It is important for you to review these documents for accurate reporting and to determine whether we are meeting your investment expectations.**

### Wealth Planning Reviews

The IAR who has/is designed/designing your wealth plan will work closely with you to be sure the action points identified in the wealth plan have been or are being properly executed. Once the action points have been completed, the wealth plan should be reviewed at least annually. Material changes in your lifestyle choices, personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, **it is your responsibility to communicate these changes** to us so that the appropriate adjustments can be made.

## CLIENT REFERRALS & OTHER COMPENSATION

### Referral Compensation

We do not receive any economic benefit from an independent party for managing your account(s).

We will, from time to time, pay referral fees (non-commission) to independent solicitors for the referral of clients to us in accordance with Rule 206 (4)-1 of the Investment Advisers Act of 1940. Such referral fee is a portion of our investment advisory fee and does not increase the total fee paid by the client for our services. We will sometimes maintain Solicitor Agreements in compliance with Rule 206 (4)-1 of the Investment Advisers Act of 1940 and Form ADV Part 2A applicable state and federal laws.

All clients referred by solicitors to us will be given full written disclosure describing the terms and fee arrangements between us and any retained solicitor(s). Prior to compensating any person for client referrals, we will ensure that the person is properly registered or exempt from the registration requirements. The solicitors shall be appropriately licensed as investment adviser representatives in accordance with applicable state law(s) when required.

### Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from LPL Financial, LLC (See "Custodial Services" above under Item 12, "Brokerage Practices" for more detailed information on what these services and products could be.)

### Wealth Planning Compensation

As previously mentioned, certain of our Investment Advisor Representatives ("IARs") are licensed insurance agents (See Item 10, "Other Financial Industry Activities & Affiliations" for more information.). This can create a conflict of interest when recommending for a fee, through a wealth plan, that you purchase an insurance product where they can also earn a commission.

There are also potential conflicts of interest when our IARs suggest the need for outside consultations and professional services (i.e., attorneys, accountants, brokers, etc.) to implement certain aspects of your wealth plan. Even though we do not share in any fees earned by the outside professionals when implementing a wealth plan, it does create an incentive on our part to refer your business to only those entities that may in turn refer potential clients to us.

In both cases, there is potential for divided loyalty and the objectivity of the advice we render could be subjective and create a disadvantage to you. Therefore, to ensure you understand the choices and risks you have in receiving wealth planning along with all other investment recommendations, the following disclosures are provided to assist you with your decisions:

- If requested by you to implement any insurance recommendations made in the wealth plan, the IAR will write the policy with those insurance companies in which he is a licensed insurance agent. In such cases, **he will receive the normal commissions associated with such insurance transactions.**
- You are under no obligation to have any professional that we recommend prepare planning documents (i.e.; financial, estate, tax, etc...). **You are free to choose those outside professionals to implement the recommendations made in the wealth plan.**

- You are under **no obligation to accept** our IARs' advice and purchase the insurance products they recommend. You are free to reject our recommendation and make your own choice.

Notwithstanding such potential conflicts of interest, we strive to serve your best interest and ensure such disclosure is being properly made to you in compliance with the Investment Advisers Act of 1940, Rule 275.206.

### Retirement Rollover Compensation

When it comes to your retirement account, you have four options to consider when transitioning employment from one employer for another or for seeking full retirement:

- Leave the account assets in the former employer's plan, if permitted;
- Rollover the assets to the new employer's plan, if one is available and rollovers are permitted;
- Rollover the account assets to an Individual Retirement Account (an "IRA"); or,
- Cash out the retirement account assets (There may be tax consequences and/or IRS penalties depending on your age).

Should you approach us to advise you on which option would be the best for your particular situation, we have an economic incentive to recommend you rollover your retirement account to a managed IRA account with us where we would earn a management fee on the assets. This can create a potential conflict of interest and the objectivity of the advice we render subjective and a disadvantage to you. Therefore, if we recommend you rollover your retirement account to an individually managed IRA account, you are under no obligation to engage us to manage your assets. You are free to take your account anywhere.

## CUSTODY

ITEM 15

### Management Fee Deduction

We do not take possession of or maintain custody of your funds or securities but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with LPL Financial, LLC, the qualified custodian listed above in Item 12, "Brokerage Practices."

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore, to comply with the United States Securities and Exchange Commission's Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- Your funds and securities are maintained with a qualified custodian (LPL) in a separate account in your name.
- Authorization to withdraw our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

LPL is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. You are encouraged to review your financial account statement from LPL to verify the accuracy and correctness of our reporting.

## INVESTMENT DISCRETION

ITEM 16

We have you complete our Investment Advisory Agreement, which sets forth our discretionary trading authority, unless you want us to manage your account on a non-discretionary<sup>12</sup> basis, to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at any time, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

## VOTING CLIENT SECURITIES

ITEM 17

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies solicited for securities held in your managed accounts. LPL Financial, LLC, the custodian of your managed accounts, will mail you all proxy solicitations. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

If you have specific questions regarding an action being solicited by the proxy that you do not understand, or you want clarification, you may contact us, and we will explain the particulars. Keep in mind we will not advise you in a direction to vote; the ultimate decision on how you vote is your responsibility and left to you to decide.

## FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you. In addition, the Company has not, nor have any of our officers and directors, been the subject of a bankruptcy petition at any time during the past ten years.

## END OF DISCLOSURE BROCHURE

<sup>12</sup> Managing your portfolio on a non-discretionary basis means we cannot execute securities transactions in your account without first obtaining your verbal consent to perform the trades. Therefore, you understand that in the event of a market correction, should we be unable to communicate our intent, your account could experience greater market volatility over accounts managed on a discretionary basis.