

## **Item 1 – Cover Page**

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This Brochure provides information about the qualifications and business practices of Triangle Securities Wealth Management. If you have any questions about the contents of this Brochure, please contact us at 877-678-5901. 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.

Triangle Securities Wealth Management is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Triangle Securities Wealth Management also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated January 20, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require. In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Cathy Thomas, Managing Director, at the numbers above or via e-mail to [cthomas@trianglesecurities.com](mailto:cthomas@trianglesecurities.com). Our Brochure is also available on our web site <http://www.trianglesecurities.com>, also free of charge. Additional information about Triangle Securities Wealth Management (“TSWM”) 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 TSWM who are registered, or are required to be registered, as Investment Adviser Representatives of TSWM.

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#### **Item 4 – Advisory Business**

Triangle Securities Wealth Management was established in August and approved as a Registered Investment Adviser in September of 2008. Paul Reynolds, III is its President, Founder, and 100% owner. Prior to Triangle Securities Wealth Management, all advisory accounts were managed under Triangle Securities, LLC. Triangle Securities was established in February of 2000 and approved as a Registered Investment Adviser in July of 2000. Paul Reynolds, III is also its President, Founder, and 100% owner. Please refer to item 10 for more information on Triangle Securities.

**ADVISORY SERVICES AND FEES:** The advisory process at TSWM involves the following processes: Defining client objectives, preparing a financial and investment plan, selecting appropriate investments, implementing the plan, and monitoring progress.

**Defining Your Objectives:** Every client is unique. The investment process begins with a comprehensive understanding of client financial resources, liabilities and objectives (both short- and long-term). We also seek to understand how much risk a client is willing to bear in pursuing desired returns before developing an investment strategy. Our entire team spends the time to get to know our clients, their families, life goals, priorities, time horizons and attitudes towards risk. We seek an in-depth understanding of each client to ensure that solutions are on target and customized to each individual's set of circumstances. Clients may impose restrictions on investing in certain securities or types of securities.

**Preparing a Financial and Investment Plan:** TSWM uses a consultative, educational approach, and advanced simulation technology to develop a comprehensive investment plan. Such plan will consider, among many things, tolerance for risk in order to achieve a client's goals. Services that may be offered in this process include Portfolio Analysis, Education Planning, Retirement Planning, Risk Management, and/or Estate Preservation. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns. TSWM does not provide legal, accounting or tax advice. Please consult your own tax or legal advisors before taking any action that may have tax consequences. Any projections or other information regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results and are not guarantees of future results. Results may vary with each use and over time. Unlike financial planning, such projections or other information does not include a detailed analysis of insurance, real estate investment or savings strategies. It also does not cover estate and tax planning.

**Selecting Appropriate Investments:** An appropriate investment plan can provide diversification, help enhance return, lower overall potential portfolio volatility and position a portfolio to take advantage of developing investment opportunities. Our recommendations are selected through a rigorous research process, and include Individual Stock Portfolios, Fixed Income Portfolios, Manager and Mutual Fund selections- all are tailored to meet a client's unique needs and objectives.

There is no guarantee that any investment portfolio will achieve its investment goal. The value of any investment portfolio will fluctuate, so that an investment, when it is

withdrawn, may be worth more or less than its original cost. Asset allocation cannot eliminate the risk of fluctuating prices and uncertain returns.

TSWM may, in the interest of its clients, engage other independent registered investment advisers to perform consulting services. One such relationship that TSWM has engaged is PDR Advisors ("PDR"). PDR provides fixed income research that TSWM uses in developing fixed income strategies for clients, including sector recommendations, credit quality recommendations, issuer recommendations, and maturity strategies. TSWM retains the authority to make all investment decisions based on the analyst's advice and to give instructions to any custodian with respect to such investment advice.

**Implementing Your Plan:** We consult with clients to review the details of customized investment plans and to confirm our understanding of each client's goals before executing our specific recommendations. TSWM can identify areas where overall portfolios can be strengthened. Once a custom plan is approved, TSWM will implement client investment strategies and provide appropriate advice as opportunities present themselves.

**Monitoring Your Progress:** Successful results require focus. We provide ongoing monitoring and evaluation of portfolio results. In addition to monthly statements, each quarter we provide investment consulting clients with a detailed performance report. This report provides comprehensive information about portfolio progress in a format that is easy to understand. As market conditions or client goals change, we will evaluate the impact on a client's total investment plan in an attempt to keep the plan within the target zone.

As of March 1, 2011 TSWM held \$477,900,000 in discretionary assets under management.

#### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by TSWM is established in a client's written agreement. TSWM will bill its fees on a quarterly basis in advance. Fees will be debited directly from the client's account. Fees are based on the assets under management based on the fee schedule below and in some instances, may be negotiated.

##### **Maximum Fee Schedule**

<b>Total Account Value</b>	<b>Annualized Program Fee</b>
First \$2,500,000	1.00%
Next 2,500,000	0.75%
Over \$5,000,000	Negotiable

Fees are in the form of an annual rate that is calculated and assessed in advance on a quarterly basis on the last business day of each calendar quarter. For purposes of calculating TSWM's advisory fees, the market value of assets in the account shall consist of the market value of securities and other investments held in the account as shown on the custodial statement, and will not be reduced by any margin or other indebtedness of the client with respect to such securities or other investments. In calculating its advisory fees,

TSWM may, in its discretion, aggregate the market value of assets in the account with the market value of assets in other accounts maintained by the client and/or the client's immediate family members who reside in the same residence. Each quarter, TSWM will send the client a statement showing the amount of the advisory fee due, the value of the total assets in the account on which the advisory fee is based, and the specific manner in which the advisory fee is calculated. The client will be responsible for verifying the accuracy of fee calculations.

In the case of a net capital contribution or withdrawal, management fees will be prorated and charged or refunded if the net addition or net withdrawal would generate a fee or refund of at least \$40 for that quarter. No fee adjustment will be made during any fee period for appreciation or depreciation in the market value of assets in the account during that period. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

All transaction fees will be borne by the client and paid directly to Schwab. Client will maintain or deposit sufficient funds in the account to cover payment of all fees authorized by the contract, and client authorizes Schwab to debit the account balances or redeem money market fund shares in the amount equal to the fee that is due. Schwab will remit a portion of the fee to TSWM. If there are not sufficient funds to cover the fees, then the firm may liquidate assets to cover fees.

Clients acknowledge that transaction fees charged to their accounts may be higher than those otherwise available if the services were provided separately for a discrete fee or if an Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. A portion of the fees charged by TSWM for the advisory services described herein may be paid to TSWM Financial Advisors. Financial Advisors may have a financial incentive to recommend advisory services over broker/dealer services. Costs and transaction fees arising out of transactions effected by entities other than TSWM or Schwab or attributable to dealer mark-ups, mark-downs or "spreads" (in transactions where another entity acts as principal for its own account) will be separately borne by clients.

TSWM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge

internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to TSWM's fee, and TSWM shall not receive any portion of these commissions, fees, and costs.

Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, TSWM and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. TSWM and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

Item 12 further describes the factors that TSWM considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

TSWM does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

TSWM provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, trusts, and corporations. The minimum account size is \$100,000, but may be negotiated in certain instances.

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

Advisor uses demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Advisor uses analytical tools to develop its asset allocation strategies. Among the types of information analyzed are historical performance, investment philosophy, investment style, historical volatility and correlation across asset classes.

Investment strategies ordinarily include long- or short-term purchases of Stock Portfolios, Fixed Income Portfolios, Manager and Mutual Fund selections. In some cases, investment decisions are derived from disciplined model portfolios based on established guidelines as modified to satisfy the individual investment objectives and needs of each client.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. The mutual funds made available for clients TSWM's Allowable List of funds. The investment committee generally relies on fundamental securities analysis with some emphasis on utilizing charting or cyclical analysis as well.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.



- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

### **Item 9 – Disciplinary Information**

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of TSWM or the integrity of TSWM's management. TSWM has no information applicable to this Item.

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

Triangle Securities, LLC is affiliated through common control and is effectively registered as a Broker/Dealer, Registered Investment Adviser, and Insurance Agency. Additionally, individuals are separately licensed as insurance agents and agents of the broker/dealer. In such capacities, these individuals may recommend insurance and/or broker/dealer transactions for advisory clients. All related compensation is separate from advisory services. On average individual Investment Advisor Representatives and the principals of TSWM spend 10% of their time on such other activities. If a trade error were to occur, it may result in profit or loss to the firm. The firm has controls in place to limit such trade errors. Individual Advisers will not participate in any profits resulting from such errors. TSWM may require that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although TSWM may require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. TSWM is independently owned and operated and not affiliated with Schwab.

Item 12 includes additional details regarding brokerage practices and related disclosures.

### **Item 11 – Code of Ethics**

TSWM has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at TSWM must acknowledge the terms of the Code of Ethics annually, or as amended.

TSWM anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which TSWM has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which TSWM, its affiliates and/or clients, directly or indirectly, have a position of interest. TSWM's employees and persons associated with TSWM are required to follow TSWM's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of TSWM and its affiliates may trade for their own accounts in

securities which are recommended to and/or purchased for TSWM's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of TSWM 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 TSWM's clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between TSWM and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with TSWM's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. TSWM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

TSWM's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Cathy Thomas at our main number.

### **Item 12 – Brokerage Practices**

For TSWM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Schwab Advisor Services also makes available to TSWM other products and services that benefit TSWM but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or a substantial number of TSWM accounts, including accounts not maintained at Schwab. Schwab's products and services that assist TSWM in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of TSWM fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help TSWM manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and

business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to TSWM. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to TSWM. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of TSWM personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, TSWM may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Advisors may suggest Triangle Securities for broker/dealer services to clients. Factors for such recommendation would be when transaction compensation is seen as a benefit to the client. For broker/dealer services, the Adviser or its associated persons may receive compensation for such transactions, where such compensation is separate and distinct from the Adviser's compensation related to its investment advisory services. Commissions paid to TSWM for broker/dealer services may be higher or lower than those obtainable from other brokers in return for those products and services.

### **Item 13 – Review of Accounts**

Accounts are assigned to Investment Advisors who are responsible for performing periodic reviews of the account and consulting with the respective client of the account. Following these reviews, reports are prepared to assist principals in supervising and monitoring the account. Factors that are considered include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, number of trades, monthly distributions, concentrated positions, diversification, and outside holdings. Not less than annually, the firm will contact the client and request current information to determine whether there have been any changes in the information provided in the questionnaire. Client agrees to inform the firm in writing of any material changes in the information included in the questionnaire or otherwise the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s). All managed accounts are delivered quarterly performance reports. Item 15 contains information about the custody reports provided.

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

TSWM does not compensate for client referrals.

### **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. TSWM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial

statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

TSWM usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, TSWM observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to TSWM in writing.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, TSWM 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. Clients will receive their proxies or other solicitations directly from the custodian or transfer agent. TSWM may provide advice to clients regarding the clients' voting of proxies.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required in this Item to provide you with certain financial information or disclosures about TSWM's financial condition. TSWM 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.

#### **Privacy Policy**

We collect nonpublic personal information about you from the following sources: Information we receive on applications, questionnaires, web site, or other forms and information about your transactions with our affiliates, others, or us. We do not disclose any non-public information about our current or former customers to anyone, except as permitted by law or in order to provide the current services. Our employees have limited access to your personal information based on their responsibilities to provide products or services to you. Be assured that we maintain physical, electronic and procedural safeguards in compliance with federal standards to protect your information.