

Compton Wealth Advisory Group, LLC

Form ADV Part 2A: Firm Brochure

999 Waterside Drive
Suite 2020
Norfolk, VA 23510
757-351-0741
www.comptonwealth.com

This brochure provides information about the qualifications and business practices of Compton Wealth Advisory Group, LLC (“Compton Wealth”). If you have any questions about the contents of this brochure, please contact Mark Compton at 757-351-0741 or email mark@comptonwealth.com. 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.

Throughout this brochure the words “we”, “us” and “our” refer to Compton Wealth.

Additional information about Compton Wealth is also available on the SEC’s website at: www.adviserinfo.sec.gov.

Item 2: Material Changes

On January 28, 2016, Compton Wealth filed its initial application to register as an investment adviser with the SEC. We encourage all recipients of this Brochure to read it carefully in its entirety. In the future, this Item will identify and discuss the material changes since the last annual update to assist investors and make them aware of certain information that has changed since the prior year's Brochure and that may be important to them.

Item 3: Table of Contents

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

Item 4: Advisory Business

Compton Wealth was founded in 2009 and is wholly owned by Mark A. Compton, formally doing business as Compton McCulley. As of May 31, 2016, Compton Wealth had \$282 million in assets under management.

Financial Planning

We provide a wide array of general personal financial planning services in addition to investments. Such services may include some or all of the following: Retirement, Educational, Insurance, and Estate Planning. We will prepare and present a financial plan, and will be available to help the client implement the recommendations.

Investment Advisory and Management Services

Our investment advisory and management services are provided on a discretionary and non-discretionary basis primarily managed by us or by third-party investment managers recommended

by us. The recommendation of third-party investment managers may include the allocation of client assets in wrap fee programs. A wrap fee program is an advisory program in which a single fee is charged for the execution of client transactions and investment advisory services (advisory services may include portfolio management or may include advice concerning the selection of other investment advisers) and not based directly upon transactions in a client's account.

We begin by helping clients identify their particular risk tolerances and investment objectives and then help clients select suitable investments or investment managers to help meet those risk tolerances and objectives. Investment manager selection includes an initial third-party investment manager due diligence, performance reporting and account monitoring, ongoing manager due diligence, and continuous client consultation. We provide ongoing investment advisory and management services that are tailored to the individual needs of the client. Account supervision is guided by the stated objectives of the client and any restrictions imposed by the client.

Item 5: Fees and Compensation

Financial Planning

Financial planning services and advice are offered for a fixed fee of \$2,500. The amount of the fee is determined based upon a number of factors including but not limited to the amount of work involved and the complexity of the case. Certain complex cases may require us to charge an hourly rate of \$250 over the fixed amount. This fee may be negotiated in advance with the client. We will waive the financial planning fees should the client become an investment management client of Compton Wealth.

The client shall pay us within 30 days from the date of the invoice or upon presentation of the written financial plan. A client may cancel the financial planning agreement and receive a full refund if we are notified within five business days after signing an agreement. If cancellation occurs thereafter, the client is responsible only for expenses incurred to that point. In such an event, an itemized invoice will be provided documenting the expenses that have been incurred.

Investment Advisory and Management Services

For Investment advisory and/or management services our clients typically pay an annual fee based on a percentage of assets under management ranging up to a maximum of 3% subject to a minimum fee of \$2,500.

Fees are negotiable. The fee structure is explained and agreed to by the clients in advance before any services are rendered. Account fees are paid quarterly in advance and deducted from a client-designated account each quarter. Should the account be opened on any day other the first day of the quarter, the fee will be pro-rated based on the remaining days left in the quarter. Thereafter, the fee will be based on the account value on the last business day of the previous calendar quarter. Should a client contribute additional funds to their account on a date other than the first day of a calendar quarter a pro-rated fee will be charged based on the days remaining for that

calendar quarter. Should a client wish to terminate an account on a date other than the last day of a calendar quarter, a pro-rated refund of unearned funds will be made based on the days left in the calendar quarter. The client must provide notice of termination in accordance with the terms of the investment advisory agreement

Certain of the investment managers recommended by us may participate in wrap fee programs. Typically, a wrap fee program provides a bundle of investment services, including asset allocation, portfolio management, custody of client funds and securities, execution of client transactions, and monitoring of portfolio manager performance for a single "wrap" fee, generally a percentage of assets under management. The wrap fee client is not charged brokerage commissions on a transactional basis. On the other hand there are programs that do not charge a wrap fee. When evaluating a wrap fee arrangement, clients should consider whether a wrap fee or a non-wrap fee arrangement is more suitable. The fees may be higher under a wrap fee arrangement versus a non-wrap fee arrangement.

Clients may also be subject to other fees including account maintenance fees, custodial fees, and transaction charges in addition to the fees outlined above. A schedule of the fees charged will be provided with the account application. In addition to the program fees, clients may also incur the management fees and any other expenses of any mutual funds or other investment vehicles that we select for a client's portfolio. Since these fees and expenses are typically deducted directly from the investment vehicle, they are not necessarily obvious to shareholders but they represent a real cost to our clients.

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

We do not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to us.

Item 7: Types of Clients

We primarily provide customized investment management services to high-net-worth individuals and associated trusts, estates, and other legal entities. We do not impose a minimum account size to become an advisory client; however certain wrap fee programs and other broker dealers may require a minimum amount of investable assets to open and maintain an account. All clients are subject to a minimum annual fee of \$2,500.

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

Methods of Analysis and Investment Strategies Generally

During the initial meetings with prospective clients, we explain our services offered, compensation, and define each other's responsibilities. We also discuss how long the relationship will last and how to make decisions. Both parties will determine if working together makes sense, and all necessary disclaimers will be made.

If the client decides to engage our firm, we will discuss their current financial situation and gather all necessary documents. Together we define their goals and objectives; retirement goals, income needs, education funding for children and grandchildren, family legacy or estate planning concepts, charitable gifting, tax considerations, and investment risk tolerance.

After the client provides the required information and documents Compton Wealth will analyze their situation to identify strategies that are believed to be in the best interest of meeting the client's goals and objectives. These strategies are discussed with the client prior to implementation to be sure the client understands the strategies, are comfortable with the strategies, and agrees with the recommendations. At this stage, we discuss any concerns the client may have and revise the recommendations if necessary.

If the client agrees with the recommended strategies, we begin the implementation process; open new investment accounts or change existing account information to reflect Compton Wealth as the financial advisor, and make changes to reflect the proposed course of action.

Once we have finished with planning and implementing, we enter the monitoring phase of the relationship. We meet regularly with the client to track their progress toward accomplishing their goals and objectives. We also provide investment performance reporting on a calendar quarterly schedule. Our services are ongoing until either party chooses to terminate the relationship.

Risks

The description below is an overview of the risks entailed in our investment strategies and is not intended to be complete. All investing involves the risk of loss and the investment strategy offered by us could lose money over short or long periods. Performance could be hurt by a number of different market risks including but not limited to:

Stock Market Risk. Stock market risk, which is the chance that stock prices overall will decline. An investment in individual securities or in a portfolio of securities could lose money. We cannot give any guarantee that we will achieve the client's investment objectives or that any client will receive a return of their investment. Stock markets tend to move in cycles, with periods of rising prices and periods of falling prices.

Alternative Strategy Mutual Funds. Certain mutual funds invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real

estate securities, such as sensitivity to changes in real estate values, interest rates and price volatility because of the fund's concentration in the real estate industry.

Exchange-Traded Funds (ETFs). ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.

Leveraged and Inverse ETFs, ETNs and Mutual Funds. Leveraged ETFs, ETNs and mutual funds, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and may not be appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds. LPL imposes limitations on accounts purchasing leveraged or inverse ETFs, ETNs, and mutual funds.

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 a client's or investor's evaluation of the adviser or the integrity of the adviser's management. Neither we nor any of our officers, directors, or other management personnel, have been involved in any legal or disciplinary events in the past 10 years that would require disclosure in response to this Item.

Item 10: Other Financial Industry Activities and Affiliations

LPL Financial, LLC - LPL is a broker-dealer registered with FINRA and the SEC. As a broker-dealer, LPL transacts business in various types of securities, including mutual funds, stocks, bonds, commodities, options, private and public partnerships, variable annuities, REITs and other investment products. Our employees are licensed as registered representatives of LPL, and will receive commissions for selling investment products to clients. A conflict of interest exists since an employee has an incentive to recommend products that pay commissions. Our employees do not receive commissions when providing investment advisory services through us.

Our employees may be licensed as insurance agents and receive commission when selling insurance products. The receipt of commissions on the sale of insurance products may create an incentive for the employee to recommend insurance products to clients. Whether or not to use the insurance services is at the discretion of the client. To the extent that advisory clients use the insurance services from or through our employees, commissions will be paid to them as an appropriately licensed agent. Clients are advised that similar insurance services are available elsewhere.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

We have adopted a written code of ethics that is applicable to all employees. Among other things, the code requires our employees to act in the clients' best interests, abide by all applicable regulations, avoid even the appearance of insider trading and pre-clear and report on many types of personal securities transactions. Our restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. A copy of our code of ethics is available upon request by contacting Mark Compton at 757-351-0741.

Our employees are generally permitted to trade alongside client accounts as long as they receive the average price that is applicable to clients and pay their share of any transaction costs. However, no employees are allowed to participate in partially filled orders until all clients' orders have been filled. The Chief Compliance Officer monitors employee trading, relative to client trading, to ensure that employees do not engage in improper transactions.

Item 12: Brokerage Practices

The LPL sponsored programs that we may recommend direct clients to utilize LPL for brokerage and custodial services. The LPL program rules restrict us from conducting securities transactions away from LPL unless LPL provide written authorization to do so. Any securities transactions conducted away from the LPL program will be subject to higher transaction costs. Therefore, these individuals are generally limited to conducting securities transactions through LPL. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. IARs are required to adhere to these products when providing investment advice. It may be the case that LPL charges higher transactions costs and/or custodial fees than another broker

charges for the same types of services. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through the broker our IARs recommend.

We do not currently maintain any formal soft dollar arrangements with LPL, however due to the relationship we have with LPL, we receive certain benefits to help us manage and administer client accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); the capability to execute, clear and settle trades; availability of investment research and tools that assist us in making investment decisions; capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.); and assists with back-office functions, record-keeping and client reporting.

Client transactions will be executed through brokers selected by us in our sole discretion which may include LPL. We seek to obtain the best execution for clients, taking into account the following factors: the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; the financial strength, integrity and stability of the broker; the broker's risk in positioning a block of securities; the quality, comprehensiveness and frequency of available research services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying our other selection criteria.

Transactions for each client account generally will be effected independently. However, on occasion we will aggregate transactions for clients that we have discretionary trading authority. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients' accounts. Block trading may allow us to execute trades in a more timely and equitable manner.

Item 13: Review of Accounts

We review the performance of managed accounts on a continuous, ongoing basis. On a quarterly basis, we review the account's rebalancing activity, review the fees charged to the account, review trading in the account against any client-directed restrictions, and review the performance of the account. We meet with the client upon request and review any changes in their financial goals or profile which would require any changes in their asset allocation.

Clients receive account statements directly from the custodian on at least a quarterly basis.

Item 14: Client Referrals and Other Compensation

We do not compensate any person or company for client referrals nor do we offer or receive sales awards or prizes for providing investment advice to clients.

Item 15: Custody

All clients' accounts are held in custody by LPL or unaffiliated broker/dealers or banks. You will receive account statements directly from the custodian(s) holding your account assets no less than quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review these statements, and should compare these statements to any account information provided by us. Please note that the custodians' account statement serves as your permanent record of your assets held with each custodian.

Item 16: Investment Discretion

Compton Wealth typically has investment discretion over all clients' accounts. For accounts handled on a discretionary basis, we typically have the authority to determine the securities to be bought and sold without obtaining client consent to specific transactions subject to any reasonable restrictions placed by the client. Clients grant Compton Wealth trading discretion through the execution of a limited power of attorney included in Compton Wealth's advisory contract.

Item 17: Voting Client Securities

As a matter of policy, we disclaim any responsibility for voting client securities. Clients may contact us for advice or information about a particular proxy vote but we do not exercise proxy voting authority over client securities and should not be designated by custodians as the party to receive information on voting client proxies. The obligation to vote client proxies rests with the client.

Item 18: Financial Information

A balance sheet is not required to be provided as Compton Wealth (i) does not solicit fees more than six months in advance, (ii) does not have a financial condition that is likely to impair its ability to meet contractual commitments to clients or (iii) has not been subject to any bankruptcy proceeding during the past 10 years.