



## **Firm Brochure**

(Part 2A of Form ADV)

**1984 Isaac Newton Sq. W., Suite 107**

**Reston, VA 20190**

**Phone: (703) 481-2280**

**Fax: (703) 935-6402**

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

**Email: [info@restonwealth.com](mailto:info@restonwealth.com)**

This brochure provides information about the qualifications and business practices of Reston Wealth Management. If you have any questions about the contents of this brochure, please contact us at: (703) 481-2280, or by email at: [info@restonwealth.com](mailto:info@restonwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC), or by any state securities authority.

Reston Wealth Management is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

**January 23, 2017**

## Material Changes

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### **ANNUAL UPDATE**

The Material Changes section of this brochure will be updated annually when material changes have occurred since the previous release of the Firm Brochure. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31<sup>st</sup> so you will receive the summary of material changes, if any, no later than April 30<sup>th</sup> each year. At that time, we will also offer a copy of our most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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### **MATERIAL CHANGES SINCE THE LAST UPDATE**

Below are the material changes that have been made since the last annual update of this brochure in March 2016.

1. Reston Wealth Management's advisors are no longer affiliated with LPL Financial as registered representatives. LPL Financial remains a custodian of clients' accounts. Any references to Bob Tucker and Alexander Voorhees as registered representatives of LPL Financial have been removed.

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### **FULL BROCHURE AVAILABLE**

Whenever you would like to receive a complete copy of our Firm's Brochure, please contact us by telephone at: (703) 481-2280 or by email at: [info@restonwealth.com](mailto:info@restonwealth.com).

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## Advisory Business

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### **FIRM DESCRIPTION**

Reston Wealth Management began conducting business as an SEC registered investment adviser in 2009. (SEC registration does not imply any level of skill or training.) The firm is based in Reston, Virginia.

Reston Wealth Management provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, and small businesses. Advice is provided through consultation with the client and may include:

- determination of financial objectives,
- identification of financial problems,
- cash flow management,
- investment management,
- education funding, and
- retirement planning.

In addition, Reston Wealth Management may advise clients regarding insurance planning and college planning. Tax planning and estate planning is provided with the understanding that Reston Wealth Management does not engage in, or render legal, accounting, or tax advice.

Other professionals (e.g., lawyers, accountants, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

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### **PRINCIPAL OWNER**

Reston Wealth Management exists as an LLC with majority ownership controlled by Robert E. Tucker, III and Linda S. Tucker.

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### **TYPES OF ADVISORY SERVICES**

Reston Wealth Management provides investment advisory services. Advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. Reston Wealth Management provides investment advisory services to its clients on a discretionary and non-discretionary basis. Account management or supervision is guided by the stated objectives of the client. In addition, Reston Wealth Management considers the client's risk profile and financial status prior to making any recommendations.

Reston Wealth Management also provides financial planning services.

As of December 31, 2016, Reston Wealth Management managed approximately \$210,483,000 in assets for approximately 380 client households. Approximately \$201,660,000 is managed on a discretionary basis, and approximately \$8,823,000 is managed on a non-discretionary basis.

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## **TAILORED RELATIONSHIPS**

The goals and objectives for each client are documented in our client relationship management system. Clients may impose restrictions on investing in certain securities or types of securities.

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## **TYPES OF AGREEMENTS**

The following agreements define the typical client relationships. Agreements may not be assigned without client consent.

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### **INVESTMENT ADVISORY AGREEMENT**

Most clients choose to have Reston Wealth Management manage their assets in order to obtain ongoing in-depth advice and financial planning. All aspects of the client's financial affairs are reviewed, sometimes including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. Account management is guided by the stated objectives of the client. In addition, Reston Wealth Management considers the client's risk profile and financial status prior to making any recommendations.

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### **ASSET MANAGEMENT**

Assets are invested primarily in no-load or load-waived mutual funds and exchange-traded funds.

Investments may also include:

- equities (stocks),
- corporate debt securities,
- certificates of deposit,
- municipal securities,
- investment company securities (e.g. mutual funds shares),
- U. S. government securities,
- options contracts,
- futures contracts, and
- interests in partnerships (e.g. real estate or oil and gas interests).

Reston Wealth Management also provides investment advice to clients concerning the following additional securities products: structured notes, preferred stocks, fund of hedge funds, closed end funds, 529 plans and 1031 real estate exchanges.

Initial public offerings (IPOs) are not available through Reston Wealth Management.

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### **FINANCIAL PLANNING AGREEMENT**

A financial plan is designed to help the client pursue their financial goals. Ongoing investment management after the financial plan is completed is only provided to clients who sign an Investment Advisory Agreement. The Adviser provides financial

planning and consulting services consistent with clients' financial and tax status, in addition to their risk profile and return objectives.

The financial plan may include, but is not limited to:

- a net worth statement;
- a cash flow statement;
- a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations;
- a review of retirement accounts and plans including recommendations;
- a review of insurance policies and recommendations for changes, if necessary;
- one or more retirement scenarios;
- estate planning review and recommendations; and
- education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

When both investment management or plan implementation and financial planning services are offered, there is a potential conflict of interest since there is an incentive for the party offering financial planning services to recommend products or services for which Reston Wealth Management, or a related party, may receive compensation. However, financial planning clients are under no obligation to act upon any recommendations of Reston Wealth Management or to effect any transactions through Reston Wealth Management if they decide to follow the recommendations.

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### **HOURLY PLANNING ENGAGEMENTS**

Reston Wealth Management provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is at the rate of \$295 per hour for a Senior Planner and \$195 per hour for a Junior Planner.

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### **TERMINATION OF AGREEMENT**

A client may terminate any of the aforementioned agreements at any time by notifying Reston Wealth Management in writing, or verbally by phone, or in person. Reston Wealth Management may terminate any of the aforementioned agreements at any time by notifying the client in writing. An advisory client will have a period of five (5) business days from the date of signing the initial Investment Advisory Agreement to unconditionally cancel the agreement and receive a full refund of any fees charged during that five (5) day period.

Upon termination of any account, any prepaid unearned fees will be promptly refunded based upon the number of days remaining in the quarter after the termination date, and any earned unpaid fees will be due and payable. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. The client will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. The custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. (Prior to the termination of the agreement, we can provide a good-faith estimate of these fees.)

Reston Wealth Management reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Reston Wealth Management's judgment, to providing proper financial advice. Upon termination, if fees were paid in advance, they will be prorated to the date of termination and the unearned portion of the fee will be refunded to the client. If the fees upon termination are charged in arrears, the client's account will be debited or the client will be billed separately for any outstanding amounts.

Termination of any of the aforementioned agreements shall not, in any case, affect or preclude the consummation of any prior transaction.

## **Fees and Compensation**

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### **DESCRIPTION**

Reston Wealth Management bases its fees on a percentage of assets under management for investment management or supervisory services. The annual Investment Advisory Agreement fee is based on a percentage of the investable assets in each separate account. Reston Wealth Management's advisory fees and financial planning fees are negotiable.

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### **FEE BILLING**

The scope of work and fee for an Investment Advisory Agreement is provided to the client in writing prior to the start of the relationship. Our standard fee schedules are provided below and are "tiered" so that the more you invest, the less each successive "tier" costs (and your total fee is a "weighted average" of multiple tiers). Current client relationships may exist where the fees are higher or lower than the fee schedule below.

## 1. LPL Financial Advisory Account

At LPL Financial, for the Strategic Wealth Management platform, investment management fees are paid quarterly, in advance, meaning that we deduct the fee from a designated client account at the beginning of the three-month billing period. Advisory clients invested in the Strategic Wealth Management platform at LPL Financial do not pay transaction charges on most mutual fund transactions.

Account Size	Annual Advisory Fee
On the first \$500,000	1.25%
On the next \$500,000	1.20%
On the next \$1,000,000	1.10%
On the next \$3,000,000	0.95%
On additional amounts over \$5,000,000	0.80%

Fees are due during the first 10 days of the calendar quarter and are directly debited from the client's account. The amount of the fee is reported on the monthly statement at the beginning of each quarter. The client may request, in advance, to receive an invoice instead. Fees are based on the account's asset value as of the last business day of the prior calendar quarter and are prorated for accounts opened during the quarter. Based on the fee schedule submitted by the Adviser, LPL Financial calculates advisory fees and debits each client's account on behalf of the Adviser.

## 2. Annuity Advisory Fees

For annuity assets custodied directly at an annuity provider, annuity advisory fees are paid quarterly in advance. Fees are due on the first day of the calendar quarter, and may be billed directly to the Client or deducted from an advisory account at the custodian. Fees are based on the account's asset value as of the last business day of the prior calendar quarter and are prorated for accounts opened during the quarter.

Fee Schedule is the same as LPL Advisory Fees. (Refer to Item 1. Above)

## 3. Schwab Advisor Services™ Account

At Schwab Advisor Services™, for assets custodied at Schwab, Reston Wealth Management calculates the advisory fees and fees are paid from your account by the custodian when we submit a request to them. Investment management fees are paid quarterly, in arrears, meaning that we deduct the fee from a designated client account at the end of the three-month billing period. Some clients invested in a Schwab account pay transaction charges (see **Other Fees** below).

Account Size	Annual Advisory Fee
On the first \$3,000,000	1.00%
On additional amounts over \$3,000,000	0.80%

We deliver an invoice, by mail or email, to each client quarterly that shows the amount of the fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account, securities may be sold to cover the fees. The amount of the fee is also reported on the quarterly statement, issued to you by Reston Wealth Management, at the beginning of each quarter. The client may request, in advance, to pay their fees by check instead of having their account debited.

#### **4. Financial Planning and Consulting Fees**

Financial planning fees are based on hourly charges or fixed fees (not including subscription fees). Fees are priced according to the degree of complexity associated with the client's situation. The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Clients who select planning or consulting services are billed at the rate of \$295 per hour for the services of a senior planner and \$195 per hour for the services of a junior planner. After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$295 per hour for a Senior Planner and \$195 per hour for a Junior Planner.

Fees for financial plans are due within 15 days of delivery of the plan. The estimated fee for a financial plan is predicated upon the facts known at the start of the engagement. Our financial plans typically take 5 to 10 hours to complete and cost an average of \$1,000 to prepare. Reston Wealth Management will provide clients with an estimate of the amount of time the plan or project will take and will bill the client upon delivery of the plan.

Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments. In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

#### **5. 529 College Savings Plan Administrative Fees**

529 college savings plan accounts are not included when calculating the assets under management for the quarterly fees mentioned previously. Reston Wealth Management charges a separate annual administration fee for management of each beneficiary's college savings plan accounts. This administration fee is based on the account balance on the last trading day of June each year.

Account Size	Annual Administration Fee (Per beneficiary)
Below \$5,000	\$25
\$5,000 to \$10,000	\$50
Over \$10,000	\$100

Maximum fee per family: \$250

We do not impose transaction charges. This administration fee is not pro-rated and clients are expected to pay the administration fee annually by check. The fees above are not a part of the fees charged by the plan itself. Please refer to each plan's prospectus to ascertain the fees and expenses for your particular plan. Financial planning fees for an in-depth education plan are outlined above in the Financial Planning Fees section.

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#### **OTHER FEES**

Advisory fees payable to us do not include all the fees you may pay when we purchase or sell securities for your account. The account custodian may charge fees, which are in addition to and separate from the investment advisory service fee. We do not receive directly or indirectly any of these fees charged to you.

Custodians may charge accounts for various transaction costs, retirement plan and administration fees. In addition, some mutual fund assets deposited in the account may have been subject to deferred sales charges and 12b-1 fees and other mutual fund annual expenses as described in each fund's prospectus. These fees include, but are not limited to:

- Custodial fees
- Transaction fees
- Exchange fees
- Administrative fees charged by mutual funds or exchange traded funds (ETFs)
- Commission or mark-ups/mark-downs on security transactions
- IRA maintenance fees
- Transfer taxes
- Odd-Lot differentials
- Wire transfer and electronic fund processing fees
- Deferred sales charges
- Other miscellaneous fees

Advisory clients should also note that fees for comparable services vary, and lower fees for comparable services may be available from other sources.

Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. This is separate and distinct from the management fee charged by Reston Wealth Management. Brokerages may charge a separate transaction fee for the purchase of some funds. Stocks, bonds and mutual funds may be purchased or sold through a brokerage account when appropriate. The brokerage firm may charge a fee for stock and bond trades.

Reston Wealth Management does not receive any compensation from fund companies for its advisory business. However, associated persons, in their individual capacities as independent insurance agents may receive commissions in insurance accounts. The commission business of associated persons is separate and apart from the Advisor's fee-only investment management services.

Reston Wealth Management, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). Financial plan fees will not be waived or offset commissions earned by our advisors when implementing the financial plan.

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### **EXPENSE RATIOS**

Mutual funds, exchange traded funds (ETFs) and insurance/annuity separate accounts generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Reston Wealth Management. These fees are described in each fund's prospectus.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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

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### **SHARING OF CAPITAL GAINS**

Reston Wealth Management does not charge any performance-based fees or engage in side-by-side management because of the potential conflict of interest.

Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

(Performance-based fees are fees based on a share of the capital gains or capital appreciation of the assets of a client. An example of side-by-side management is when a firm manages a hedge fund "side-by-side" with a mutual fund.)

## **Types of Clients**

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### **DESCRIPTION**

Reston Wealth Management generally provides investment advice to individuals, small business pension and profit sharing plans, and corporations.

Client relationships vary in scope and length of service.

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## **ACCOUNT MINIMUMS**

Reston Wealth Management does not require a minimum deposit to establish a new advisory account. Our typical household minimum for taking on a new client is \$750,000 in investable assets.

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

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### **METHODS OF ANALYSIS**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission (SEC), and company press releases.

Other sources of information that Reston Wealth Management may use include Morningstar Office, Bloomberg, and other resources available by subscription online.

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### **INVESTMENT STRATEGIES**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Other strategies may include:

- long-term purchases (securities held at least a year),
- short-term purchases (securities sold within a year),
- trading (securities sold within 30 days),
- short sales,
- alternative investments,
- margin transactions, and
- option writing (including covered options, uncovered options or spreading strategies).

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### **RISK OF LOSS**

Investing in securities involves risk of loss that clients should be prepared to bear. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **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.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **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.
- **Alternative Investment Risk:** Alternative investments involve specific risks that may be greater than those associated with traditional investments and may be offered only to clients who meet specific suitability requirements, including minimum net worth tests. Clients should consider the special risks with alternative investments including limited liquidity, tax considerations, incentive fee structures, potentially speculative investment strategies, and different regulatory and reporting requirements.

## **Disciplinary Information**

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### **LEGAL AND DISCIPLINARY**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **FINANCIAL INDUSTRY ACTIVITIES**

Reston Wealth Management is not registered for other financial industry activities.

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### **AFFILIATIONS**

Mr. Tucker, Mr. Voorhees, Ms. Matlock and Ms. Kirwan are appointed insurance agents with various insurance companies.

Associated Persons, in their individual capacities as independent insurance agents, may effect insurance transactions for clients on a commission basis. The insurance commission business of associated persons is separate and apart from the Advisor's fee-only investment management services.

Thus, a conflict of interest may exist between the interests of associated persons and those of the advisory clients. However, clients are under no obligation to act upon any recommendations of the associated persons or effect any transactions through the associated persons if they decide to follow the recommendations.

Most of Mr. Tucker's and Mr. Voorhees's time is spent providing investment advisory services offered by Reston Wealth Management.

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

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### **CODE OF ETHICS**

Reston Wealth Management has adopted a Code of Ethics for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The firm and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. Reston Wealth Management will provide a copy of the Code of Ethics to any client or prospective client upon request.

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### **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Reston Wealth Management does not recommend securities to clients in which the firm or any related person has a material financial interest.

Reston Wealth Management and its employees may own an interest in, or buy or sell, for their accounts the same securities, which may be purchased or sold in the accounts of advisory clients. Employees may not trade their own securities ahead of client trades.

Employees seek to ensure that they do not personally benefit from the short-term market effects of their recommendations to clients and their personal transactions are

regularly monitored. Employees may also buy or sell a specific security for their own account based on personal investment considerations, which Reston Wealth Management does not deem appropriate to buy or sell for clients. Employees may buy or sell at or about the same time as clients.

A conflict of interest may exist with respect to recommendations to buy or sell securities. In all cases, transactions are effected in the best interests of the client. Reston Wealth Management does not permit insider trading and has implemented procedures to ensure that its policy regarding insider trading is being observed by associated persons. Employees are aware of the rules regarding material non-public information and insider trading.

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### **PERSONAL TRADING**

The Chief Compliance Officer of Reston Wealth Management is Chloerissa G. Kirwan. She reviews all employee trades periodically. Her trades are reviewed by Robert E. Tucker III, owner. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **SELECTING BROKERAGE FIRMS**

Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. Specific custodian recommendations are made to clients based on their need for such services. Reston Wealth Management recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Reston Wealth Management typically recommends that our Clients use LPL Financial (LPL) or Charles Schwab & Co., Inc. (Schwab), registered broker-dealers, members SIPC, as qualified custodians. Clients make the final decision. Our practice is to not accept advisory clients’ instructions for directing a client’s brokerage transactions to a particular broker-dealer.

We are independently owned and operated and are not affiliated with LPL or Schwab. LPL and Schwab will hold your assets in an investment account and buy and sell securities when we instruct them to. While we may recommend that you use LPL or Schwab as custodian/broker, you will decide whether to do so and will open your account with the custodian by entering into an account agreement directly with them. We usually assist you in doing so. Not all advisors require their clients to use a custodian selected by the Adviser.

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## **HOW WE SELECT CUSTODIANS**

We seek to use a custodian that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Reputation, financial strength, and stability

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## **YOUR BROKERAGE AND CUSTODY COSTS**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. These fees are in addition to the commissions or other compensation if you have a trade executed by a different broker-dealer and then deposited into your Schwab account. Because of this, in order to minimize your trading costs, we have Schwab execute most trades for your account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades.

For our client accounts that LPL Financial maintains, LPL Financial does not charge you separately for custody services. Advisory clients invested in the Strategic Wealth Management platform at LPL Financial do not pay transaction charges on most mutual fund transactions.

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## **BEST EXECUTION**

Best execution means seeking the most favorable terms for a transaction based on all relevant factors, including those listed above (see "How We Select Custodians"). Reston Wealth Management is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit. Reston Wealth Management reviews the execution report of trades at each custodian each quarter.

Reston Wealth Management does not receive any portion of the trading fees charged by the custodian.

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## **PRODUCTS AND SERVICES AVAILABLE TO US**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. LPL Financial is an independent RIA custodian. They provide us and our clients with access to institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to retail customers. LPL Financial and Schwab also make available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to us. The following is a more detailed description of Schwab's and LPL Financial's support services:

### *Services that benefit you.*

LPL Financial's and Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through LPL Financial and Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. LPL Financial's and Schwab's services described in this paragraph generally benefit you and your account.

### *Services that may not directly benefit you.*

LPL Financial and Schwab also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both LPL Financial's and Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at LPL Financial or Schwab. In addition to investment research, LPL Financial and Schwab also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

### *Services that generally benefit only us.*

LPL Financial and Schwab also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession

LPL Financial and Schwab may provide some of these services themselves. In other cases, they will arrange for third-party vendors to provide the services to us. LPL Financial and Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees.

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## **OUR INTEREST IN OUR CUSTODIAN'S SERVICES**

The availability of these services from LPL Financial and Schwab benefits us because we do not have to produce or purchase them. We do not have to pay for Schwab's services as long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. We do have to pay for most of LPL Financial's services. These services are not contingent upon us committing any specific amount of business to LPL Financial in assets in custody.

We may have an incentive to recommend that you maintain your account with LPL Financial or Schwab, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. For example, we may receive payments from LPL Financial in connection with the transition of association from another broker/dealer/investment advisor firm to LPL Financial. This is a potential conflict of interest.

We believe, however, that our selection of LPL Financial and/or Schwab as custodian is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Custodians") and not the services from LPL Financial and Schwab that benefit only us. Overall, we manage more than \$210 million in assets and we have approximately \$35.5 million in client assets under management at Schwab. We do not believe that recommending our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

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## **SOFT DOLLARS**

Reston Wealth Management does not receive soft dollars.

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## **ORDER AGGREGATION AND TRADE ALLOCATION**

Reston Wealth Management usually trades securities on an individual basis, but may also aggregate trades when more than one account is trading a particular security on the same day. Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit. However, in the event that transactions are aggregated, no particular group (e.g. employees or clients) will be favored over any other group or client(s).

The objective of Reston Wealth Management's trade allocation procedure is to achieve fair and equitable treatment of its clients and to provide timely trade execution and allocation. When an order is partially filled, we allocate trades using

the rotational method where each account will receive a full allocation in order of priority until the entire order has been allocated. The order of priority is determined randomly and is reviewed by the compliance officer or branch manager in order to make sure that no set of trade allocations is accomplished to the unfair advantage of one client over another, although specific trades may have the effect of benefitting one account over another when viewed in isolation.

## **Review of Accounts**

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### **PERIODIC REVIEWS**

Wealth Advisors perform reviews of all Client investment advisory accounts including financial plans no less than annually. Accounts are reviewed for consistency with investment strategy and performance, among other things. There is currently no limit on the number of accounts that can be reviewed by the advisor team.

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### **REVIEW TRIGGERS**

Reviews may be triggered by changes in an account holder's personal, tax or financial status. Macroeconomic and company-specific events may also trigger reviews and transactions.

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### **REGULAR REPORTS**

Account statements are generated by LPL Financial and Schwab Advisor Services™ monthly and/or quarterly. These statements are sent directly to the account owner from the custodian by mail or by electronic delivery. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations by mail or by electronic delivery following each account transaction.

Clients also receive periodic communications from Reston Wealth Management on at least an annual basis. These written updates may include a summary of account holdings, portfolio analysis, historical performance and/or an overview of clients' investment objectives. These communications are sent by mail or by electronic delivery.

Clients with Schwab accounts will receive a printed quarterly summary from Reston Wealth Management with a copy of their bill. Client with LPL Financial accounts will receive a printed quarterly statement for their advisory accounts directly from the custodian.

## **Client Referrals and Other Compensation**

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see Brokerage Practices above). The availability to us of Schwab's products and services is not

based on us giving particular investment advice, such as buying particular securities for our clients.

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### **ADDITIONAL COMPENSATION**

For time to time, Reston Wealth Management may receive compensation and transitional assistance from LPL Financial based upon the assets custodied at their firm. These payments may off-set transition costs and non-recurring expenses related to the movement of client assets to LPL Financial. Reston Wealth Management may, at its discretion, reimburse clients for termination fees and account transfer fees incurred during such a transition. This may be considered a conflict of interest because, we may have an incentive to direct client accounts to LPL in consideration of the actual or anticipated incentives or consideration we will receive.

The conflicts inherent to advisors or the firm receiving added compensation are disclosed to you in this brochure. We are sensitive to this potential conflict and take steps to ensure that it does not affect our decisions for our clients. Reston Wealth Management has implemented supervisory controls for acknowledgement and oversight of existing or potential conflict concerns or issues.

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### **INCOMING REFERRALS**

Reston Wealth Management has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **REFERRALS OUT**

Reston Wealth Management does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody**

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### **CUSTODY**

Reston Wealth Management does not maintain custody of the assets on which we advise. The client always maintains asset control.

Under government regulations, we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account, for example, you authorize us to instruct LPL Financial and Schwab to deduct our advisory fees directly from your account. LPL Financial and Schwab maintain actual custody of your assets.

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### **ACCOUNT STATEMENTS**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients, by mail at their address of record, or by electronic delivery, at least quarterly. Clients should carefully review their statements. You will receive account statements directly from LPL Financial and Schwab at least quarterly. They will be sent to the email or postal mailing address you

provided to LPL Financial or Schwab. You should carefully review those statements promptly when you receive them. We also urge you to compare LPL Financial's and Schwab's account statements with the periodic portfolio reports you will receive from us.

## **Investment Discretion**

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### **DISCRETIONARY AUTHORITY FOR TRADING**

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Reston Wealth Management 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, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Reston Wealth Management observes the investment policies, limitations and restrictions of the clients for which it advises. The client approves the custodian to be used and the commission rates paid to the custodian. Reston Wealth Management does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Reston Wealth Management is cognizant of its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

## **Voting Client Securities**

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### **PROXY VOTES**

Client understands and agrees that client retains the right to vote all proxies, which are solicited for securities held in the account. Reston Wealth Management and associated persons are hereby expressly precluded from voting proxies for securities held in the account and will not be required to take any action or render advice with respect to the voting of proxies.

When assistance on voting proxies is requested, Reston Wealth Management may provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Financial Information**

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### **FINANCIAL CONDITION**

Reston Wealth Management does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Reston Wealth Management does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.