

## **Triangle Wealth Management, Inc.**

1301 Annapolis Drive  
Raleigh, NC 27608

Toll Free 877-678-5901

Local 919-838-3221

Fax 919-838-9081

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

March 11, 2022

This Brochure provides information about the qualifications and business practices of Triangle Securities Wealth Management, Inc., d/b/a Triangle 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 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 that can be used to make a determination to hire or retain an Adviser.

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

## **Item 2 – Material Changes**

### **Annual Update**

The Material changes section of this brochure will be updated at least annually when material changes occur since the previous release of the Firm Brochure.

Since our last annual update dated March 26, 2021, our Brochure was updated as follows:

We have added additional disclosure information in Item 4 regarding our responsibilities when advising an IRA or other ERISA Retirement plan.

### **ERISA and Individual Retirement Accounts Disclosure**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice)
- Never put our financial interests ahead of yours when making recommendations (give loyal advice)
- Avoid misleading statements about conflicts of interest, fees, and investments
- Follow policies and procedures designed to ensure that we give advice that is in your best interest
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

If any change occurs throughout the year, we will provide a new Brochure as necessary based on changes or new information, at any time, without charge.

### **Full Brochure Available**

If you would like to receive a complete copy of our Firm Brochure, please contact Cathy Thomas, Managing Director, at 919-838-3221 or via e-mail at [cthomas@trianglewealth.com](mailto:cthomas@trianglewealth.com). Our Brochure is also available on our website [www.trianglewealth.com](http://www.trianglewealth.com), free of charge.

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

### **Item 3 - Table of Contents**

Item 1 – Cover Page .....	i
Item 2 – Material Changes.....	ii
Item 3 - Table of Contents.....	iii
Item 4 – Advisory Business .....	1
Item 5 – Fees and Compensation .....	3
Item 6 – Performance-Based Fees and Side-By-Side Management .....	5
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss .....	5
Item 9 – Disciplinary Information .....	6
Item 10 – Other Financial Industry Activities and Affiliations .....	6
Item 11 – Code of Ethics.....	7
Item 12 – Brokerage Practices.....	7
Item 13 – Review of Accounts .....	9
Item 14 – Client Referrals and Other Compensation.....	9
Item 15 – Custody .....	10
Item 16 – Investment Discretion .....	10
Item 17 – Voting Client Securities .....	11
Item 18 – Financial Information.....	11
Privacy Policy.....	12

#### **Item 4 – Advisory Business**

Triangle Securities Wealth Management, Inc., d/b/a Triangle Wealth Management (“TWM,” “Firm,” “us,” “our”) was established in August 2008 and approved as a Registered Investment Adviser in September of 2008. Paul Reynolds, III is its President, Founder, and principal owner. Prior to Triangle Wealth Management, all advisory accounts were managed under Triangle Securities, LLC. Triangle Securities, LLC 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 principal owner.

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

**Defining Client Objectives:** Every client is unique. The investment process begins with a comprehensive understanding of the client’s 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 their desired returns before developing an investment strategy. Our entire team spends time getting 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 are 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:** TWM uses a consultative, educational approach, and advanced simulation technology to develop a comprehensive investment plan. Each plan considers, 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. TWM 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 for each client 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 or tax planning.

**Selecting Appropriate Investments:** An appropriate investment plan can provide diversification, potentially help enhance returns, seek to lower overall 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.

TWM may, in the interest of its clients, engage other independent registered investment advisers to perform consulting services.

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

**Monitoring Progress:** Successful results require focus. We provide ongoing monitoring and evaluation of portfolio results. In addition to monthly custodial statements, each quarter we provide managed account 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.

### **ERISA and Individual Retirement Accounts Disclosure**

When we provide investment advice to you regarding your retirement plan account or individual retirement account, we are fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act and/or the Internal Revenue Code, as applicable, which are laws governing retirement accounts. The way we make money creates some conflicts with your interests, so we operate under a special rule that requires us to act in your best interest and not put our interests ahead of yours.

Under this special rule's provisions, we must:

- Meet a professional standard of care when making investment recommendations (give prudent advice)
- Never put our financial interests ahead of yours when making recommendations (give loyal advice)
- Avoid misleading statements about conflicts of interest, fees, and investments
- Follow policies and procedures designed to ensure that we give advice that is in your best interest
- Charge no more than is reasonable for our services; and
- Give you basic information about conflicts of interest.

As of December 31, 2021, TWM held \$1,096,640,298 in discretionary assets under management.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by TWM is established in a client's written agreement. TWM bills its fees on a quarterly basis in advance, as set out in the client's specific Investment Advisory Agreement. 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	0.50%

Fees are in the form of an annual rate that is calculated and assessed on a quarterly basis on the last business day of each calendar quarter. For purposes of calculating TWM'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, TWM 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, TWM will provide 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.

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

Transaction fees charged to client 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.

TWM's fees are exclusive of brokerage commissions, transaction fees, prime broker 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 TWM's fee, and TWM shall not receive any portion of these commissions, fees, and costs.

Some mutual funds within this program pay 12(b)-1 service fees (normally 0.25% per year) to the Custodian. The mutual funds that the Firm could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund's prospectus. There are instances in which TWM would recommend a mutual fund that carries a 12(b)-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower-cost class share may not be available to TWM due to investment minimums. In other cases, mutual funds charging 12(b)-1 fees are transferred into TWM in which case the Firm may recommend the client holds the existing share class, instead of selling the fund and buying a lower-cost share, which could result in a tax liability. In addition, some mutual funds charge 12(b)-1 fees, but no transaction fees, while other share classes in the same fund family do not charge 12(b)-1 fees but do charge transaction fees. Mutual funds charging 12(b)-1 fees will be recommended when the overall cost is seen as a benefit to the client if the anticipated transaction fees exceed the anticipated 12(b)-1 fees. When recommending a particular mutual fund share class, the different available share classes are compared and reviewed along with the anticipated investment timeframe, potential tax consequences, future anticipated transactions, and other costs to determine the best selection for the client at that time.

Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, TWM will remove themselves as manager. If the client requests liquidation prior to termination TWM will proceed with the liquidation of the client's account. TWM will not charge for such redemption; however, the client should be aware that certain mutual funds impose redemption fees as stated in each fund's 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 the client's investment advisory service and communicate the instructions to the 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. TWM and its agent are not responsible for market fluctuations of the client's account from the 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 TWM 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**

TWM 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**

TWM 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 can be negotiated in certain instances.

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

TWM 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. We use analytical tools to develop 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 and are 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 portfolio management team 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 a client's evaluation of TWM or the integrity of TWM's management. TWM has no information applicable to this Item.

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

Investment Advisers are required to disclose relationships or arrangements with: a broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle (including a mutual fund, closed-end investment

company, unit investment trust, private investment company or “hedge fund,” and offshore fund); other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships. TWM has no information applicable to this Item.

### **Item 11 – Code of Ethics**

TWM has adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and its 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 TWM must acknowledge the terms of the Code of Ethics annually, or as amended.

TWM anticipates that, in appropriate circumstances, consistent with clients’ investment objectives, it will cause accounts over which TWM has management authority to effect and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which TWM, its affiliates and/or clients, directly or indirectly, have a position of interest. TWM’s employees and persons associated with TWM are required to follow TWM’s Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors, and employees of TWM and its affiliates may trade for their own accounts in securities that are recommended to and/or purchased for TWM’s clients. The Code of Ethics is designed to assure that the personal securities transactions, activities, and interests of the employees of TWM 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 of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of TWM’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. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between TWM and its clients.

TWM’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**

TWM will 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 TWM may require that clients establish accounts at Schwab, it is the client’s ultimate decision to

custody assets with Schwab. TWM is independently owned and operated and not affiliated with Schwab.

For TWM 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.

Prime brokerage services are available through Schwab. This prime broker arrangement allows TWM to place trades with other broker-dealers without the need to have individual accounts with other broker-dealers. The use of prime broker services allows for greater flexibility to access fixed income securities. When another broker-dealer is used for execution, all assets will be kept in a Schwab account with all confirmations and statements generated by Schwab. Schwab charges a flat dollar amount as a “prime broker” or a “trade away” fee for each trade that we have executed by a different broker-dealer. These fees are in addition to the commissions or other compensation a client will pay the executing broker-dealer. Because of this, Schwab is used to execute trades when all else is equal to minimize trading cost; another executing broker-dealer is used when the overall price (including commissions and other fees) are more favorable, or when an issue is not available through Schwab.

Schwab Advisor Services also makes available to TWM other products and services that benefit TWM 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 TWM accounts, including accounts not maintained at Schwab. Schwab’s products and services that assist TWM 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 TWM fees from clients’ accounts; and (v) assist with back-office functions, recordkeeping, and client reporting.

Schwab Advisor Services also offers other services intended to help TWM 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 TWM. 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 TWM. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of TWM personnel. In evaluating whether to recommend or require that client’s custody their assets at Schwab, TWM may consider 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.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with TWM'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. TWM 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.

### **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. The client agrees to inform the Firm in writing of any material changes in the information included in the questionnaire or otherwise in the client's financial circumstances that might affect the manner in which the client's assets should be invested. The 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 performance and custody reports provided.

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

TWM receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through TWM's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with TWM. Schwab does not supervise Advisor and has no responsibility for TWM's management of clients' portfolios or Advisor's other advice or services. TWM pays Schwab fees to receive client referrals through the Service. TWM's participation in the Service may raise potential conflicts of interest described below. A client who is referred will receive an additional disclosure document specifically describing the referral arrangement and the compensation paid to Schwab.

TWM pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by TWM is a percentage of the fees the client owes to TWM or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. TWM pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to TWM quarterly and may be increased, decreased, or waived by Schwab from time to time. The

Participation Fee is paid by TWM and not by the client. TWM has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs TWM charges clients with similar portfolios who were not referred through the Service.

TWM generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees TWM generally would pay in a single year. Thus, TWM will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of TWM's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, TWM will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit TWM's fees directly from the accounts.

For accounts of TWM's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody, but will receive compensation from TWM's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, TWM may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. TWM nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for TWM's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.

### **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. TWM urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

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

TWM 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, TWM observes the investment

policies, limitations, and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to TWM in writing.

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

As a matter of firm policy and practice, TWM 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. TWM 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 TWM's financial condition. TWM 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**

TWM considers the privacy of its clients to be of fundamental importance. We want you to understand what information we collect and how we use it. Thus, we have established a policy to maintain the confidentiality of the information you share with us.

In providing financial advisory services, Triangle collects certain nonpublic information about clients. Our policy is designed to keep this information confidential and strictly safeguarded, and to use or disclose it only as needed to provide services to clients and their families, or as permitted or required by law. This policy is applicable to information for both current and former clients.

### **What Information Do We Collect?**

The purpose of collecting nonpublic information about clients is to allow TWM to effectively address clients' financial needs and to deliver all required communications to clients. Generally, this includes name, address, social security number, date of birth, account numbers, and employment history and income. We may also have access to information that clients provide to us on applications or other forms or documents such as financial statements, statements of accounts, wills, trusts, and mortgages.

### **Where Do We Get This Information?**

We may collect nonpublic personal information about you from multiple sources, including:

- Information we receive from you on applications or other forms
- Information about your transactions with us, our affiliates, or others, such as the custodian(s) of your account(s)
- Information we receive from non-affiliated third parties
- Information you provide directly to us as your financial partner

### **What Information Do We Disclose and To Whom Do We Disclose It?**

TWM does not disclose any nonpublic information about clients without express consent, except as permitted by law and as needed to provide the services clients have requested from us. This applies to current as well as former clients. We may disclose information to third parties as permitted by law, including the custodians or other companies used to provide services to clients, to persons assessing our compliance with industry standards, or to our attorneys, accountants, and auditors as needed. From time to time, we may be required to give information about our business to regulatory authorities.

### **Who has access to nonpublic information?**

We recognize the need to prevent unauthorized access to the information we collect, including information held in electronic format. TWM restricts access to nonpublic personal information to those individuals who need to know to provide products or services to clients and perform their respective responsibilities.

**What if I am no longer a client of Triangle Wealth Management?**

If you decide to close your account(s) or no longer be a client of TWMM, our Privacy Policy will continue to apply, which may be amended from time to time.

**How is information safeguarded?**

TWMM maintains physical, electronic, and procedural safeguards to protect clients' nonpublic personal information. We believe our procedures are reasonably designed to protect the security and confidentiality of clients' information. These include nondisclosure agreements with companies we hire to help us provide services to clients, password-protected user access to our network and computer files, training of employees, and strict confidentiality policies that apply to all employees.

If you have any questions after reading this Privacy Policy, please contact us at 919.838.3221.