

## **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides information about the qualifications and business practices of Insight Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at (703) 753-6082, or by email at [info@insightwealth.com](mailto:info@insightwealth.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.

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

Insight Wealth Management, Inc. is an independent Registered Investment Adviser; however, registration does not imply any particular level of skill or training. The firm's qualifications are discussed in this brochure.

There are have been no material changes regarding the policies, practices or conflicts of interests of Insight Wealth Management, Inc. since the last annual update of its brochure.

March 11, 2020

INSIGHT  
WEALTH  
MANAGEMENT



## **Material Changes**

Insight Wealth Management, Inc. is required to notify clients of any information that has changed since the last annual update of the Firm Brochure that may be important to them. Clients may request a fully copy of our Brochure or contact us with any questions that they may have about the changes.

Since the last annual amendment filed on March 28, 2019, the following changes have been made:

We have increased our mandatory minimum annual fee for clients utilizing our Wealth Management service from \$2,500 to \$5,000. As such, the required minimum account balance has also increased from \$250,000 to \$500,000. These requirements will only apply to new and prospective clients of Insight Wealth Management and shall not affect our firm's current clients.

Charles Schwab & Co., Inc. ("Schwab") recently eliminated transaction fees for U.S. listed equities and exchange traded funds.

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## **Advisory Business**

### **Wealth Management**

Insight Wealth Management, Inc. (referred to as “Insight” or “We” elsewhere in this brochure) offers Wealth Management Services on a discretionary or non-discretionary basis as agreed to with the client. We manage investment portfolios primarily for families, individuals, trusts, retirement accounts (IRAs, pensions and profit sharing plans), charitable organizations such as endowments and foundations, corporations, small businesses and other institutions. We customize each portfolio to each client's specific risk tolerance, and financial needs and goals.

Our wealth management services are best described as ongoing investment management within the context of comprehensive financial planning. We start our wealth management process with each client by creating both an investment policy statement and comprehensive financial plan. We monitor and update both on an ongoing basis. Portfolios are reviewed quarterly and rebalanced as needed.

Insight Wealth Management, Inc. opened in 2005 as a family-owned business. The firm is owned entirely by Bob and Elaine Pugh, and is not subject to pressure by outside investors or a parent corporation. Insight is a fee-only, fiduciary advisor. Our only compensation is the fees our clients pay. None of our revenue comes from commission sales of products, referral fees or any other source that would create a conflict of interest. As a fiduciary advisor, we are obligated to act in our clients' best interests at all times.

As of the date of this brochure, we managed approximately \$58,771,016 of client assets on a discretionary basis, and approximately \$487,323 of client assets on a non-discretionary basis. In addition, we advised clients on allocation choices for additional assets held in outside accounts, such as 401(k), TSP and 403(b) plans, as part of our process of comprehensive financial and investment planning.

Our wealth management process approaches a client's financial needs and goals holistically. In constructing a wealth management plan and investment strategy Insight considers a client's current financial situation, goals, risk tolerance and factors such as retirement, estate, education, insurance and tax planning needs. Insight serves as the leader of a team of professionals and will draw upon the services of Certified Public Accountants, attorneys and others as required to provide the comprehensive resources necessary to meet clients' financial needs and goals.

We initiate all new client relationships with a thorough review of the client's situation, financial needs and risk tolerance in order to create a comprehensive financial plan to serve as the context in which to manage their assets. Portfolios are reviewed and rebalanced quarterly and any changes in the client's circumstances or needs are taken into account to update management of their investment portfolio or their comprehensive financial plan. Portfolios are rebalanced as necessary to be consistent with the client's needs, risk tolerance and target allocations.

Client investment objectives are identified by assessing the client's risk tolerance based upon their age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility, among other factors. The information provided by the client will be collected during client meetings, interviews, and/or questionnaires.

After analyzing a client's financial situation and formulating an investment policy statement collaboratively with the client, we implement the investment strategy through a combination of investments we consider optimal for that client. Capital market conditions and client circumstances are monitored and portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables. Clients may restrict investments in certain securities or types of securities to the extent, in our view, that we will continue to be able to manage the client's portfolio in a way that meets their risk and return objectives.

Insight uses Schwab Advisor Services as the custodian and broker for its clients' accounts. The accounts belong to the clients and clients have direct access to them at any time through the Schwab Alliance web portal. Schwab Alliance provides a website and customer service representatives dedicated to clients working with independent investment advisors using Schwab Advisor Services as their broker and custodian. Clients receive monthly account statements directly from Schwab.

Insight licenses the Morningstar Office product of analytical software, and contracts with Morningstar's Back Office Services to download and reconcile from Schwab client account data every day. As part of this contract, Morningstar's professionals perform Insight's portfolio accounting to ensure timely and accurate data that allow Insight to perform thorough portfolio analysis for our clients.

Morningstar Office allows Insight to offer clients a wide array of analytics and reports on their portfolios and investments, including in-depth performance reporting. It provides additional resources such as investment research, and wealth forecasting based on each client's individual circumstances and financial needs. It provides clients with a website to view daily summaries of their portfolios, and share documents securely with us. These services are included in the fee structure described below.

### **Financial Consulting**

Insight provides financial consulting services that are not included as part of the wealth management services described above. Financial consulting services may include but are not limited to: financial analysis, revenue forecasting, valuation analysis and economic analysis. These services are intended for institutions and businesses rather than individuals and families.

Insight will collect pertinent data from the client through personal interviews and/or written questionnaires. A written summary may be provided to the client highlighting specific recommendations to the client regarding their individual needs.

A client may cancel the financial consulting agreement and receive a full refund if Insight is 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.

## **Fees and Compensation**

Asset-based management fees will be charged quarterly in arrears based on a percentage of the client's assets under management at the end of the calendar quarter. Insight Wealth Management, Inc. is a fee-only advisor and receives no commissions or other transaction-based fees, referral fees, or other compensation. The compensation for our services, which include developing and implementing an investment policy statement, creating a comprehensive financial plan, monitoring a client's investment results, rebalancing the investment portfolio, reporting to the client on a quarterly basis, and updating the investment and financial plans as needed is as follows:

Assets Under Management	Annual Fee
Up to \$1,000,000	1.00%
Next \$1,000,000	0.75%
Over \$2,000,000	0.50%

\* A minimum annual fee of \$5,000 will apply, which is included in and not in addition to the fee schedule above.

Investment advisory services begin with the effective date of the agreement, which is the date the client signs the investment advisory agreement. For that calendar quarter, fees will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the agreement was effective. Fees will generally be deducted directly from the client's brokerage account pursuant to a written agreement. As part of this process, clients understand the following:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

Insight reserves the right to adjust the fee schedule for accounts depending on the size and type of account and the services required. In some cases, negotiation of fees may result in different fees being charged for similar services and may be less than the stated fee schedule.

Either Insight or the client may terminate the agreement at any time. The client is responsible to pay for services rendered until the termination of the agreement. The client can cancel the agreement without penalty within the first five business days after the signing of the agreement.

Clients will incur transaction fees for trades executed by their chosen custodian, via individual transaction charges. Schwab does not charge transaction fees for U.S. listed equities and exchange traded funds.

Advisory fees charged by Insight are separate and distinct from fees and expenses charged by mutual or exchange-traded funds, which may be recommended to clients. A description of these fees and expenses is available in each fund's prospectus. Additionally, the fees charged by Insight are exclusive of all custodial and transaction costs paid to custodians, brokers or any other third parties. Clients should review all fees charged by Insight, custodians and brokers and others to understand fully the total amount of fees incurred.

Fees for Financial Consulting services will be generally charged at Insight's prevailing hourly rate of \$350 per hour. Such fees shall be mutually agreed upon by the client and Insight, and shall be due and payable when services are rendered. The hourly fee will be negotiated with the client prior to performing any service. Insight works only with institutional and business clients on an hourly fee basis.

Insight and its representatives do not sell securities for a commission in advisory accounts.

Please see also the section on Brokerage Practices for additional information.

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

Insight Wealth Management, Inc. charges no performance-based fees, and has no side-by-side management arrangements. Performance-based fees create an incentive for an advisor to take more investment risk than is appropriate for clients and Insight does not believe that such fees are in clients' best interests.

### **Types of Clients**

Insight Wealth Management, Inc. serves families, individuals, trusts, retirement accounts (IRAs, pensions and profit-sharing plans), charitable organizations such as endowments and foundations, corporations, small businesses and other institutions.

Insight requires a minimum account balance of \$500,000 for clients who wish to engage us for our Wealth Management services. We also require a minimum annual fee of \$5,000 for our Wealth Management services, which is included in the fee schedule detailed in Item 5. of this Brochure.



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

### **Methods of Analysis**

Insight Wealth Management, Inc. relies primarily on fundamental analysis to select securities and manage client portfolios. Fundamental analysis focuses on factors key to the performance of investments such as, economic and industry trends and growth, government (domestic and international) monetary and fiscal policy, and the management and financial strength of the issuers of securities Insight considers for inclusion in client portfolios. Such a perspective extends also to analysis of exchange-traded and mutual funds under consideration for inclusion in client portfolios.

Technical analysis, which looks at trends in market data rather than underlying fundamental factors is used sparingly. However, Insight will sometimes take into consideration factors such as the current market price of securities and funds relative to their recent historical prices, and relative to certain long-term averages.

Insight relies for its analysis on data from government and private sources, various financial newspapers, magazines and other publications, information gained from attendance at professional meetings and conferences, research prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, company press releases, and its own proprietary analytical models. As part of our license to use the Morningstar Office product, Insight has access to a wide array of Morningstar's analysis of equities, funds and many other types of investments.

Insight also incorporates political dimensions (political economy) into its investment analysis holding the view that the actions of political decision-makers influence security prices as do underlying economic, fundamental and market factors.

### **Investment Strategies**

Insight's investment strategies are oriented more toward index-based asset allocation than security selection. Research and experience indicate that a portfolio's allocation to various sectors of the markets and economy plays a much more important determining role in its risk and return performance than does selection of individual securities. Moreover, Insight believes that an asset allocation rather than security selection based strategy reduces long-term costs for investors, and thus improves long-term portfolio performance. Security selection is employed, however, to a limited extent.

Asset allocation strategies focus on allocations to diversified holdings in various sectors of the markets to achieve the highest expected return possible while minimizing portfolio volatility and keeping risk at levels not to exceed those established for the client in the planning and monitoring processes.

In assessing the risk and the degree to which any strategy is subject to market volatility, Insight employs the perspective of Modern Portfolio Theory (MPT), for which Harry Markowitz won the Nobel Prize in Economic Sciences in 1990. The basis of Markowitz' theory, which has become the foundation of most portfolio management practices, is to view risk as a function of the interaction of all components of the portfolio rather than of the volatility (risk) of each security in the portfolio seen independently.

MPT, however, was developed for use by institutional investors. Application to individual or family wealth management situations should recognize and reflect these limitations. Many advisors who lack an adequate academic background, such as graduate-level education in finance, or professional training, such as earning the CFA Charter, claim to base their asset management on this theory. Clients should verify any advisor's actual qualifications and ability to apply such a complex theory to their personal situation.

Typically, investment strategies that Insight employs use long-term purchases of securities (holding securities for one year or more). Occasionally, positions in securities are liquidated within a year (short-term purchases). These strategies are subject to risk and loss of principal that clients should be prepared to bear.

Other strategies that Insight could use in certain circumstances include short sales, margin transactions, and option strategies including option writing (especially covered option strategies), holding uncovered options positions, and employing spread strategies. These strategies carry substantially higher risks of loss of principal that clients should be prepared to bear than do long- and short-term purchases of securities.

Insight does not employ any strategies that involve frequent trading of securities. Frequent trading can affect investment performance negatively through increased brokerage and other transaction costs and taxes.

Tax efficiency and minimizing client tax burdens are important factors in developing and implementing all investment strategies for clients.

### **Types of Securities Used to Implement Investment Strategies**

Insight may use any of the following types of securities to construct a client investment portfolio:

- Exchange-traded and mutual funds
- Equity securities, including those listed on exchanges, traded over-the-counter, and issued by foreign entities.
- Warrants
- Corporate debt (i.e., bonds)
- Commercial paper
- Certificates of deposit
- Municipal securities

- Securities issued by the United States and other governments (i.e., sovereign bills, notes and bonds)
- Options on securities, commodities and interest rates
- Futures contracts on tangibles and intangibles

Only those securities suitable to meeting each client's goals and consistent with the client's investment policy statement and tolerance for risk will be used. Insight strives to educate all clients on the nature and risk of all securities and portfolio strategies recommended to them. In the process of developing and updating the client's investment policy statement, any securities the client wishes to avoid will be identified. That process includes also establishing whatever, if any, socially-responsible criteria the client desires to apply to their portfolio.

All of the securities listed above are subject to risk and loss of principal that clients should be prepared to bear.

### **Development and Management of Investment Strategies for Clients**

Insight practices a comprehensive approach to financial planning and investment management. We develop comprehensive plans and investment strategies personalized for the needs, goals and risk tolerance of each client.

#### ***Initial Meeting***

The first step in the process is a free, no-obligation, get-acquainted meeting. If both the prospective client and Insight think that our services are appropriate for that client's needs, we move to the next step, which is creating a strategy embodied within a comprehensive financial plan and investment policy statement.

#### ***Creation of the Investment Policy Statement and Comprehensive Financial Plan***

The next step is a series of personal meetings to gather the information that Insight requires to create a personalized investment policy statement (IPS) and comprehensive financial plan. The IPS is an individualized plan that guides the management of each client's portfolio. The IPS is created from scratch for each client. It is not based on standardized client data dumped into "financial planning" software, or outsourced to someone else without a personal relationship with the client. Creation of the IPS includes a quantitative analysis and modeling of a client's net worth and projected cash flows to determine how much return the investment portfolio must generate within the constraint of the financial risk a client can tolerate.

The quantitative analysis and modeling reflect the client's expected long-term financial situation based on assumptions developed during the meetings and interviews, and on the basis of information provided by the client. They include using Morningstar's wealth forecasting processes available in Morningstar Office. The Morningstar wealth forecast employs the asset allocation Insight recommends for the client, along with data

pertaining to the client's current and expected circumstances. It performs hundreds of iterations using expected returns, correlations and volatilities of the asset classes to create a probability distribution of the client's likelihood of achieving their financial goals at various points in the future.

During the process of developing the IPS and comprehensive financial plan, Insight takes a broad inventory of the client's financial situation into account (including estate, tax, insurance, retirement and education planning among other factors). The services of other professionals such as attorneys and CPAs will be drawn upon as needed.

### ***Implementation, Monitoring and Rebalancing of the Investment Strategy***

After the investment policy statement (IPS) is approved by both the client and Insight, the investment decisions are implemented. As client needs and goals may change, as well as Insight's expectations for the capital markets, the IPS and investment portfolio are reviewed regularly; at least once per quarter. Insight provides clients with detailed performance analysis of both portfolio return and risk, and compares that information to relevant market benchmarks. In this manner, Insight and the client can monitor the portfolio strategy's performance (risk and return) on an ongoing basis to ensure that it remains suitable for the client and rebalance the portfolio as needed.

### **Disciplinary Information**

No employee, officer or management person of Insight Wealth Management, Inc. has ever been the subject of any form of disciplinary action or proceedings.

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

No employee, officer or management person of Insight Wealth Management, Inc. is engaged in any financial industry activities or has any financial industry affiliations outside of the firm.

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

#### **Code of Ethics**

All employees, officers and management persons of Insight Wealth Management, Inc. are committed to adhering to both the CFA Institute's Code of Ethics & Standards of Professional Conduct, and the Standards of Professional Conduct of the Certified Financial Planner Board of Standards, Inc. For more information or copies of these standards, please visit [www.cfainstitute.org](http://www.cfainstitute.org) and [www.cfp.net](http://www.cfp.net). Copies are available upon request for clients and prospective clients also from Insight.

## **Participation or Interest in Client Transactions**

Insight and its employees may buy and sell the same securities that may be recommended to clients. If the possibility of a conflict of interest occurs, the client's interest will prevail. It is Insight's policy that priority will always be given to the client's orders over the orders of an employee of Insight.

Insight has established the following restrictions in order to ensure its fiduciary responsibilities:

- 1) A director, officer or employee of Insight shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person or Insight shall prefer his or her own interest to that of the advisory client.
- 2) Insight maintains a list of all securities holdings for itself, and anyone associated with this advisory practice.

## **Personal Trading**

The Chief Compliance Officer of Insight Wealth Management, Inc. is John Robert Pugh, Jr., CFA, CFP®. He reviews all personal trades each quarter to ensure that personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are relatively small trades of exchange-traded funds, mutual funds, and individual stocks and bonds, the trades do not affect the securities markets.

## **Brokerage Practices**

In the course of providing services, Insight Wealth Management, Inc. will execute trades for our clients through broker-dealers. When a client has given Insight broker discretion, there is no restriction on the brokers we may select to execute client transactions. Our general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances. With respect to execution, we consider a number of factors, including if the broker has custody of client assets, the actual handling of the order, the ability of the broker-dealer to settle the trade promptly and accurately, the financial standing of the broker-dealer, the ability of the broker-dealer to position stock to facilitate execution, our past experience with similar trades, and other factors which may be unique to a particular order. Based on these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees.

Orders for the same security entered on behalf of more than one client will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions. Accounts which are beneficially owned by Insight or its employees or access persons may participate in aggregated orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs, or a more advantageous net price.

A client may direct Insight in writing to use a particular broker/dealer to execute all transactions for the client's account. When a client selects the broker to be used for their account, the commission rates are decided upon between the client and their broker. In addition, Insight does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates, and the client may not obtain rates as low as they might otherwise obtain if Insight had discretion to select broker-dealers other than those chosen by the client.

Clients that restrict Insight to using a particular broker/dealer (or direct us to use a particular broker/dealer) for executing their transactions generally will be unable to participate in aggregated orders and will be precluded from receiving the benefits, if any, of an aggregation which other clients may receive. Insight will generally execute aggregated orders for non-directed clients before executing orders for clients that direct brokerage.

Insight contracts with Morningstar to download and reconcile client data from Schwab Advisor Services only. Client assets custodied with other brokers will not benefit from the analytical and reporting resources available through Insight's use of Morningstar Office.

Insight is not obligated to acquire for any account any security that we or our officers, partners, members or employees may acquire for their own accounts or for the account of any other client, if in Insight's absolute discretion it is not practical or desirable to acquire a position in such security.

Absent an existing brokerage relationship Insight will assist the client with developing a relationship with the Institutional Division of Charles Schwab & Co., ("Schwab"). Insight will make recommendations based on the needs of the client and the services provided by the broker/custodian such as ability to execute trades, margin rates, on-line access to accounts, transaction charges, consolidated reporting, duplicate monthly statements, access to mutual funds, including lower sales charges than for direct purchases and lower minimum purchase amounts.

As part of the institutional programs offered by Schwab, Insight receives benefits that it would not receive if it did not provide investment advice to clients. While there is no direct affiliation or fee sharing arrangement between Schwab and Insight, economic benefits are received by Insight, which would not be received if Insight did not have an established relationship with this company. These benefits do not depend on the amount of transactions directed by Insight to Schwab. These benefits may include: a dedicated trading desk that services Insight's clients, a dedicated service group and an account services manager dedicated to Insight's accounts, access to a real time order matching system, ability to block client trades, electronic download of trades, portfolio management software, access to an electronic interface, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), a quarterly newsletter, access to mutual funds, ability to have loads waived for Insight's clients who invest in certain loaded funds when certain conditions are met and maintained, and the ability to have custody fees waived.

### **Review of Accounts**

Generally, client accounts, and financial, investment and wealth management plans, are reviewed on a quarterly basis by Mr. John Robert Pugh, Jr., CFA, CFP<sup>®</sup>, President. These reviews are designed to monitor and analyze client transactions, positions, and investment levels in the context of each client's investment policy. Particular attention is given to changes in company fundamentals, industry outlook, capital market outlook, asset allocations and price levels, and changes in clients' circumstances, needs and goals.

Clients are provided with quarterly written reports which provide account performance, asset allocation and beginning and ending account balances, in addition to other information tailored to the needs of each client.

Reviews outside the quarterly cycle could be triggered by material changes in client circumstances or if our view of the markets or securities held by clients changes significantly in between regular reviews.

We have licensed Morningstar's Office software and can make available to clients any of the portfolio, account and other financial information and analysis it produces. We have also contracted with Morningstar for their Back Office Services to facilitate our preparation of written analyses and reports for clients. Morningstar downloads and reconciles daily client account information from Schwab, and performs our portfolio accounting, which is used both in or portfolio analysis and in preparation of the written reports provided to clients. Additionally, clients receive account statements at least quarterly from Charles Schwab, Inc., our broker and custodian of client assets.

Clients are encouraged to meet quarterly with Insight Wealth Management, Inc. to discuss their accounts and these reviews.

## **Client Referrals and Other Compensation**

Insight Wealth Management, Inc. has no arrangements under which it or any related person compensates another for client referrals, nor any arrangements under which it receives any economic benefit, including sales awards or prizes, from a person who is not a client for providing advisory services to clients.

## **Custody**

Insight Wealth Management, Inc. does not maintain custody of client funds or securities, nor is it authorized to hold or receive any stock, bond or other security or investment certificate or cash (except in the payment of its advisory fee) that is part of the client's account. Custody of account assets will be maintained with the independent custodian the client selects, and the client will be solely responsible for paying all fees or charges of the custodian. Typically, Insight recommends use of the custodial services of Schwab Advisor Services™ (formerly called Schwab Institutional®).

State Securities Bureaus generally take the position that any arrangement under which a registered investment adviser is authorized or permitted to withdraw client funds or securities maintained with a custodian upon the adviser's instruction to the custodian is deemed to have custody of client funds and securities. As such, Insight has adopted the following safeguarding procedures:

- a) Clients must provide our firm with written authorization permitting direct payment of advisory fees from their account(s) maintained by a custodian who is independent of our firm;
- b) Our firm sends quarterly statements to the client showing the fee amount, the value of the assets upon which the fee is based, and the specific manner in which the fee is calculated as well as disclosing that it is the client's responsibility to verify the accuracy of fee calculation, and that the custodian does not determine its accuracy; and
- c) The account custodian sends a statement to the client, at least quarterly, showing all account disbursements, including advisory fees.

Clients are encouraged to raise any questions with us about the custody, safety or security of their assets and our custodial recommendations.

## **Investment Discretion**

When a client agrees to discretionary management, Insight Wealth Management, Inc. will be responsible for selecting the type and amount of securities to be bought and sold. Insight will abide by any limitations on the investment authority imposed in writing by the client. Moreover, selection of securities will be governed by the investment policy statement developed jointly by Insight and the client.



Accounts we manage on a discretionary basis may receive more favorable executions when purchasing or selling securities than accounts managed on a non-discretionary basis because Insight must receive client authorization before placing a trade order for non-discretionary accounts.

### **Voting Client Securities**

Clients maintain all proxy voting authority unless a specific written delegation of voting authority has been given to Insight Wealth Management, Inc. If Insight is assigned such authority, it will notify the custodian that it is authorized to vote all proxies for securities in the client's portfolio and instruct the custodian to forward a copy of all proxies relating to shares held in the account. Insight will vote proxies in a prudent manner and solely in the interest of the client.

### **Financial Information**

Insight Wealth Management, Inc. does not require prepayment of any fees and is subject to no financial condition or situation reasonably likely to impair its ability to meet contractual commitments to clients. Insight is subject to no judgment or arbitration awards. Neither Insight nor any of its employees, officers or management persons is now or has ever been the subject of a bankruptcy petition.

### **Requirements for State-Registered Advisers**

John Robert Pugh, Jr., CFA, CFP® is the only executive officer and management person with Insight Wealth Management, Inc. His formal education and business background is detailed in the supplement to this brochure. He is not actively engaged in any business other than Insight Wealth Management, Inc.

Neither Insight Wealth Management, Inc., nor any employee, officer or management person is compensated on the basis of performance-based fees.

Neither Insight Wealth Management, Inc. nor any employee, officer or management person has ever been found liable in any arbitration claim.

Neither Insight Wealth Management, Inc. nor any employee, officer or management person has any relationship or arrangement with any issuer of securities.

## **Brochure Supplement**

(Part 2B of Form ADV)

**John Robert Pugh, Jr., CFA, CFP®**  
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**Email: [bob@insightwealth.com](mailto:bob@insightwealth.com)**

This brochure supplement provides information about John Robert Pugh, Jr., CFA, CFP® (Bob) that supplements the Insight Wealth Management, Inc. brochure. You should have received a copy of that brochure. Please contact John Robert Pugh, Jr., CFA, CFP® if you did not receive the Insight Wealth Management, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about John Robert Pugh, Jr., CFA, CFP® is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 11, 2020

## **Educational Background and Business Experience**

**John Robert Pugh, Jr., CFA, CFP® (Bob)**

Year of Birth: 1957

### ***Formal Education After High School:***

CERTIFIED FINANCIAL PLANNER™

CFA Charterholder

University of North Carolina at Greensboro, 1991, Master of Arts degree in Applied Economics, focusing on Financial Economics

The Johns Hopkins University, School of Advanced International Studies, 1981, Master of Arts degree in International Relations, focusing on Global Political Economy

University of North Carolina at Greensboro, 1979, B.S. in Economics and Political Science

### ***Business Background for the Preceding Five Years:***

Insight Wealth Management, Inc. – President and Founder, since 2005.

Schweser CFA Review – 2012 to 2017. Taught Level III CFA Exam review in partnership with the CFA Society of Washington, DC; and the entire Level III CFA review program for the World Bank.

The Johns Hopkins University, Carey School of Business – Member of the Practitioner Faculty in Investments and Finance, 2001 to 2009, including teaching investments and portfolio management for the Business of Medicine Program with the Johns Hopkins University School of Medicine.

Becker Professional Review (Stalla) – Editor, course material developer, national and local instructor in the Stalla Review for the CFA Examinations, 1999 to 2011.

Bob Pugh, CFA, CFP® oversees the management of Insight Wealth Management, Inc. and the investment process, and reviews all client portfolios. Bob has more than twenty-five years of experience in investment and financial analysis, financial planning, portfolio management and financial education. His expertise ranges from municipal finance and regional economics from working as a senior financial analyst with the Prince William County Government, to global economics from working as an economic analyst with the Central Intelligence Agency. He served as director of investment research with another firm in the 1990s, a U.S. Foreign Service Officer in the 1980s and for seven years as a tenured college faculty member in economics. Bob has worked

directly with private investors and charitable institutions for many years.

In addition to his role at Insight Wealth Management, Inc. Bob has taught portfolio management, investment analysis, finance and economics for graduate and undergraduate students for over two decades, most recently as a member of the Finance Department Faculty with The Johns Hopkins University's Carey School of Business. Bob taught continuing education in investments and portfolio management for medical professionals through the Johns Hopkins University's School of Medicine's "Business of Medicine" program. He taught candidates preparing for the Chartered Financial Analyst exams from 1998 to 2017.

Bob is a leader in his profession and was honored by his colleagues in the then 1,700-member CFA Society of Washington, DC, the leading Society for investment professionals in the Washington, D.C. area, by his election to serve two terms as President of the Society. He has also served as the Society's Treasurer, Education Chair, Public Awareness Chair, and as a Board Member. He was elected at the CFA Institute's Annual Conference in April of 2009 to serve a two-year term as Eastern Region Presidents Council Representative.

In 1997, Bob earned the CFA™ designation and later the CERTIFIED FINANCIAL PLANNER™ certification. He is a member of the National Association of Personal Financial Advisors (NAPFA) and is a NAPFA-Registered Financial Advisor. He is also a member of the Financial Planning Association and the National Association for Business Economics.

Bob earned graduate degrees in global political economy from The Johns Hopkins University's School of Advanced International Studies, and in financial economics from the University of North Carolina at Greensboro (UNC-G). He graduated with honors from UNC-G in 1979 with majors in economics and political science. Bob keeps his knowledge of investments, finance, financial planning and economics current by reading widely; and participating in conferences and other professional education opportunities offered by the CFA Institute, the National Association for Business Economics, the Financial Planning Association, and NAPFA.

Bob is a member and Chair of the Board of the Health Systems Agency of Northern Virginia. He won a volunteerism award for service with the Prince William County, Virginia Cooperative Extension's Personal Finance Program providing individual counseling and workshops for economically disadvantaged people, and is the past Testing Coordinator and Public Outreach Director for Mensa in the Washington, DC region. He is now still a certified Mensa testing proctor. He is a past-President of the Prince William Symphony Orchestra; served on the Economic Development Committee of the Prince William County-Greater Manassas Chamber of Commerce; has many years of experience as the pro bono investment advisor for the endowment portfolios of Centreville United Methodist Church and Medical Missionaries; and is a member of Mensa.

## **The Chartered Financial Analyst (CFA) Charter**

The Chartered Financial Analyst (CFA) charter is a globally respected, graduate-level investment credential established in 1962 and awarded by CFA Institute — the largest global association of investment professionals.

There are currently more than 154,000 CFA Charterholders working globally. To earn the CFA charter, candidates must: 1) pass three sequential, six-hour examinations; 2) have at least four years of qualified professional investment experience; 3) join CFA Institute as members; and 4) commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

### **High Ethical Standards**

The CFA Institute Code of Ethics and Standards of Professional Conduct, enforced through an active professional conduct program, require CFA Charterholders to:

- Place their clients' interests ahead of their own
- Maintain independence and objectivity
- Act with integrity
- Maintain and improve their professional competence
- Disclose conflicts of interest and legal matters

### **Global Recognition**

Passing the three CFA exams is a difficult feat that requires extensive study (successful candidates report spending an average of 300 hours of study per level). Earning the CFA charter demonstrates mastery of many of the advanced skills needed for investment analysis and decision making in today's quickly evolving global financial industry. As a result, employers and clients are increasingly seeking CFA Charterholders—often making the charter a prerequisite for employment.

Additionally, regulatory bodies in 22 countries and territories recognize the CFA charter as a proxy for meeting certain licensing requirements, and more than 125 colleges and universities around the world have incorporated a majority of the CFA Program curriculum into their own finance courses.

### **Comprehensive and Current Knowledge**

The CFA Program curriculum provides a comprehensive framework of knowledge for investment decision-making and is firmly grounded in the knowledge and skills used every day in the investment profession. The three levels of the CFA Program test a proficiency with a wide range of fundamental and advanced investment topics, including ethical and professional standards, fixed-income and equity analysis, alternative and derivative investments, economics, financial reporting standards, portfolio management, and wealth planning.

The CFA Program curriculum is updated every year by experts from around the world to ensure that candidates learn the most relevant and practical new tools, ideas, and

investment and wealth management skills to reflect the dynamic and complex nature of the profession.

To learn more about the CFA charter, visit [www.cfainstitute.org](http://www.cfainstitute.org).

### **The CERTIFIED FINANCIAL PLANNER™ (CFP®) Certification**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally-registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by the Certified Financial Planner Board of Standards, Inc. (“CFP Board”).

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 80,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board’s *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

### **Disciplinary Information**

John Robert Pugh, Jr., CFA, CFP® has never been involved in or the subject of a legal or disciplinary event.

### **Other Business Activities**

John Robert Pugh, Jr., CFA, CFP® is not involved in any investment-related business or occupation, or in any other role in the financial industry other than his role with Insight Wealth Management, Inc.

### **Additional Compensation**

John Robert Pugh, Jr., CFA, CFP® receives no income other than that derived from his work with Insight Wealth Management, Inc.

### **Supervision**

Not applicable.

### **Requirements for State-Registered Advisers**

John Robert Pugh, Jr., CFA, CFP® has never been found liable in an arbitration claim, or in a civil, self-regulatory organization, or administrative proceeding of any kind. He has never been the subject of a bankruptcy petition.