

# Toth Financial Advisory Corporation

## Part 2A of Form ADV

### The Brochure

608 South King Street, Suite 300  
Leesburg, VA 20175  
[www.tothfinancial.com](http://www.tothfinancial.com)

Updated: March 2024

This brochure provides information about the qualifications and business practices of Toth Financial Advisory Corporation (“Toth Financial” or the “Firm”). If you have any questions about the contents of this brochure, please contact Toth Financial at 703-443-8684. 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.

Toth Financial is a registered investment adviser. Registration as an investment adviser does not imply any level of skill or training.

Additional information about Toth Financial is also available on the SEC’s website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2: Material Changes

Toth Financial had the following material changes to this Brochure since Toth Financial’s last filing in May 2023:

- Toth Financial has retained Pontera Solutions, Inc. to provide an Order Management System to facilitate the management of held away accounts/assets.
- Thomas A. Toth III has resigned his position as an investment advisor representative of Toth Financial.

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## **ITEM 4: Advisory Business**

Incorporated in the Commonwealth of Virginia in 1986, Toth Financial provides customized investment management services on a discretionary basis to various categories of institutional and individual clients. Toth Financial is owned by Thomas A. Toth, Sr., Kenneth J. Bowen, II, Thomas A. Bowman, Jr., and Kevin W. Arbogast. As of December 31, 2023, Toth Financial managed approximately \$866,000,000 on a discretionary basis on behalf of 610 clients.

Client assets are generally invested in the common stock of large cap, US based companies that have grown their earnings and revenues over various business and economic cycles. This allows Toth Financial to take a “buy and hold” approach that minimizes portfolio turnover.

Account supervision is guided by the stated objectives of the client (i.e., growth, growth & income, etc.), and all managed accounts will be maintained with an independent custodian. Clients can impose reasonable restrictions on our management of their accounts.

During the first meeting with a potential client, the following subjects will be covered:

- An overview of the Firm's services and capabilities as a portfolio manager.
- A determination of the investor’s investment objectives, investment time horizon and risk profile by means of an interview and the completion of a questionnaire.
- An explanation of the advisory contract and current fees.
- An explanation and copy of SEC Form ADV, Part 2A and 2B and Form CRS, and the Toth Financial Privacy Disclosure Notice.

Toth Financial serves as the General Partner to a private pooled investment vehicle, the **Toth Growth & Income Fund, LP (Fund)** established to engage in the purchase and sale of securities issued primarily by companies in the United States, but also by foreign companies. Investment advice is provided directly to the **Fund** and not individually to the investors in the **Fund**. Nothing herein constitutes or shall be deemed to constitute an offer to sell or the solicitation of an offer to purchase **Fund** interests. Such an offer may be made only by means of the private placement memorandum (or other similar documentation) and only to the person to whom such memorandum is actually delivered.

## ITEM 5: Fees and Compensation

### Portfolio Management Using Individual Stocks with Annual Reporting

Management of portfolios with annual reporting to be conducted with the following rate schedule:

#### Brokerage and Held Away Assets Under Management (AUM)

Up to and including \$ 1,000,000				1.30% per annum
Greater than \$ 1,000,000	and up to	\$ 1,750,000		1.20% per annum
Greater than \$ 1,750,000	and up to	\$ 2,500,000		1.10% per annum
Greater than \$ 2,500,000	and up to	\$ 3,750,000		1.00% per annum
Greater than \$ 3,750,000	and up to	\$ 5,000,000		0.90% per annum
Greater than \$ 5,000,000	and up to	\$ 10,000,000		0.80% per annum
Greater than \$ 10,000,000	and up to	\$ 25,000,000		0.70% per annum
Greater than \$ 25,000,000	and up to	\$ 50,000,000		0.60% per annum
Greater than \$ 50,000,000	and up to	\$100,000,000		0.50% per annum
Greater than \$100,000,000				0.40% per annum

The value of margined securities is included in the calculation of AUM.

Once per year the client will receive a detailed report providing portfolio analysis of the holdings including performance data. This report will be included with the annual contract renewal.

### Portfolio Management Using Individual Stocks with Quarterly Reporting

Management of portfolios with quarterly reporting will be charged 25% more than clients who elect Annual Reporting. The same asset under management thresholds as shown under Annual Reporting will apply.

Each calendar quarter, the client will receive a detailed report providing portfolio analysis of the holdings including performance data. This service is provided automatically unless the client requests that the report be sent less frequently.

### 529 Plans and Employer Sponsored Retirement Plans

529 Plans, Limited Partnerships and Fixed Annuities will be charged at the annual rate of 0.10%. Stand-alone 529 plans (without an individual stock or mutual fund portfolio) will be charged a management fee of 1.00% per year.

Employer Sponsored Qualified Plans – Actively Managed, will incur the tiered Toth Financial fee rate schedule as outlined above.

Employer Sponsored Qualified Plans – Passively Managed, will incur an annual fee between 0.25% and 0.75% annually, based on service level agreement. Toth Financial discretion is authorized.

Clients who desire that Toth Financial make recommendations for their 401K accounts, held by their employers and not directly affiliated with Toth Financial, will be charged an annual rate of 0.15% (subject to a \$250 fee minimum per account).

Although Toth Financial has established flat and tiered advisory fee schedule(s), we retain the discretion to determine the appropriate advisory fee on a client-by-client or account-by-account basis. Certain accounts have been grandfathered with previously established fee schedules. Discounted fees are offered to certain family members and friends of persons associated with our firm.

Advisory clients are subject to Toth Financial's minimum account requirements and advisory fees in effect at the time the client entered the advisory relationship. Therefore, our minimum account requirements and fees differ among clients.

The total assets under management will be determined when the first Portfolio Management Contract is signed and will be updated once each year. The management fee will be prorated for the remaining days of the initial quarter in which Toth Financial begins to manage the account. Thereafter, the fee will be split into four calendar quarters and is due the first day of January, April, July, and October.

During the year, if money is added to the client's account(s) in excess of 1/10<sup>th</sup> of the total portfolio, Toth Financial has the discretion to adjust the client's management fee for these additional funds. The same rate schedule for the management of the funds as the initial investment will apply.

If the client desires to terminate the Portfolio Management Contract, he/she may do so at any time. Termination requests must be in writing and delivered to the Toth Financial offices located at 608 South King Street, Suite 300, Leesburg, Virginia 20175 or emailed to the portfolio manager with a request for the manager's acknowledgment of receipt. Toth Financial may, at its discretion, terminate management of the client's portfolio at any time. A letter will be sent to the client via certified mail notifying him/her that the firm's management services have been terminated.

#### *Other Fees*

Advisory fees charged by Toth Financial are separate and distinct from fees and expenses charged by mutual 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 Toth Financial are exclusive of all custodial and transaction costs paid to custodians, brokers or any other third parties. Clients should review all fees charged by Toth Financial, custodians and brokers, and others (including but not limited to third-party sub advisers) to fully understand the total amount of fees incurred.

Portfolio Management Services to the **Toth Growth & Income Fund** (for clients of the Fund only)

Compensation received by the General Partner is generally comprised of fees based on a percentage of assets under management and a profit allocation.

*Investment Management Fee*

The **Fund** pays a quarterly management fee to the General Partner of 0.15% of the aggregate of each limited partner's ending capital account balance for each quarter (0.6% per annum), payable on the last day of such quarter. The management fee will be prorated for any period that is less than a full quarter and will be adjusted for contributions made during the quarter.

*Profit Allocation*

The General Partner is entitled to receive a profit allocation on the twelve-month anniversary of the initial capital contribution of each limited partner, and then on the last business day of each calendar month thereafter, with respect to any profits allocable to each limited partner's capital account for such month (or for the first twelve months with respect to the first Profit Allocation). The Profit Allocation is equal to 20% of the net realized and unrealized profits otherwise allocable to a limited partner's capital account, subject to a "high-water" mark and a preferred annual return of 9.2%. The General Partner, in its sole discretion, may waive or modify the profit allocation with respect to any limited partner.

In addition to the General Partner's fees, limited partners bear indirectly the fees and expenses charged to the **Fund**. Those fees vary, but typically include but are not limited to: legal, accounting, auditing and tax preparation expenses and fees, expenses related to investment activities (including the purchase, sale or registration of securities whether or not purchased, sold or registered, interest on borrowed funds, taxes, commissions, brokerage fees, and travel expenses) and reports to the limited partners, the cost of directors' and officers' liability insurance, and extraordinary expenses such as litigation and "broken deal" expenses. Limited partners should consider all fees charged by the General Partner, custodians, brokers, and other third parties to fully understand the total amount of fees to be paid by the **Fund**.

## **ITEM 6: Performance Based Fees and Side-by-Side Management (for clients of the Fund only)**

As stated in the Fees and Compensation section above, Toth Financial charges performance-based fees which are fees based on a share of capital gains on or capital appreciation of the client's assets in the **Fund**.

The fact that Toth Financial is compensated based on the trading profits may create an incentive for Toth Financial to make investments on behalf of clients that are riskier or more speculative than would be the case in the absence of such compensation. In addition, the performance-based fee received by Toth Financial is based primarily on realized and unrealized gains and losses. As a result, the performance-based fee earned could be based on unrealized gains that clients may never realize. Toth Financial's fee arrangements also create an incentive to favor higher fee-paying accounts over other accounts in the allocation of investment opportunities.

Toth Financial has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

## **ITEM 7: Types of Clients**

Toth Financial primarily provides customized investment management services to high-net-worth individuals and associated trusts, estates, pension and profit-sharing plans, and other legal entities and to a Fund.

Generally, the minimum dollar value of assets required to setup an investment advisory account is \$1,000,000. However, Toth Financial retains the discretion to waive the account minimum.

Clients and investors in the **Fund** must meet the qualified client requirements of Rule 205-3 under the Investment Advisers Act of 1940. Toth Financial generally requires a minimum of \$1,100,000 for investors in the **Fund**. Limited Partners are generally required to have a net worth (together, in the case of a client that is a natural person, with assets held jointly with a spouse) of at least \$2.2 million or invest at least \$1,100,000 in the Fund and who meet certain additional eligibility criteria set forth in the **Fund**'s subscription documents and as determined by the General Partner in its discretion.

## **ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss**

Toth Financial primarily uses a fundamental analysis for stocks which places particular emphasis on earnings per share, sales per share, years uninterrupted and/or increased earnings, net profit, debt-equity ratio, return on common equity, revenue sources, dividends, stock buybacks, outlook, and other relevant factors. For mutual funds and Exchange-Traded Funds (ETFs), Toth Financial considers the stated objective of the fund (per its prospectus) and how it compares to the client's

objectives, the fund's track record, and whether or not the same management is still in place or if qualified replacement managers have been hired. For limited partnerships, Toth Financial considers the proposed length of the partnership, the general partner's track record in previous partnerships, the investment potential with and without potential tax advantages, the timing of cash flow, the discounted present value of that cash flow, as well as the diversification of the partnership holdings.

Toth Financial's portfolio strategy focuses on the selection of investments that it believes are most appropriate to the various phases of the U.S. economy and a client's risk tolerance. During the early stage of coming out of recession, Toth Financial believes that small-to-mid-size growth stocks tend to be the best performing class of investments. As the economy continues to grow, larger, more established companies and high-yield bonds perform well. When the economy begins to slow down, dividend paying stocks and high-quality bonds may provide the best relative return.

The **Fund**'s investment strategy is to identify and acquire the common stock and similar securities of a select, diversified group of companies that have a proven track record of growing their sales and earnings as well as a history of increasing their dividends. The ratio of debt securities to stocks is guided by the view that, generally, common stocks and high-yield bonds provide superior performance in a growing economy, while high-quality bonds tend to be the better performing assets when the economy is anticipated to move sideways or slip into a recession.

Toth Financial, as General Partner to the **Fund**, will assess the overall health of the U.S. economy in order to determine the best mix of investments consistent with the Fund's investment philosophy. When Toth Financial believes that the U.S. economy is growing, the **Fund** will invest predominantly in stocks and other equity securities. The **Fund**'s investment mix at any particular time will generally reflect the Toth Financial's assessment of the relative strength or weakness of the U.S. economy.

The management style offered by Toth Financial may be deemed speculative and is not intended as a complete investment program. It is designed for sophisticated investors who fully understand and are capable of bearing the risk of such an investment. No guarantee or representation is made that clients will achieve their investment objective.

All investing involves a risk of loss and the investment strategy offered by Toth Financial could lose money over short or even long periods. The description contained below is a brief overview of different market risks related to Toth Financial's investment strategy:

**General Business and Management Risk** - Investments in securities subject the client to the general risks associated with the underlying businesses, including market conditions, changes in regulatory requirements, reliance on management at the company level, interest rate and currency fluctuations, general economic downturns, domestic and foreign political situations, and other factors. With respect to management at the company level, many companies rely on the services of a limited number of key individuals, the loss of any one of whom could significantly adversely affect the company's performance.



**Use of Leverage or Margin** - The use of margin, the act of borrowing capital to make investments, or leveraged investment products, exposes the client to additional levels of risks, including (i) greater losses from investments than otherwise would have been the case, (ii) margin calls that could force the client to liquidate investment positions, and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the cost of initially borrowing the capital. Should there be a sharp decline in the value of investments held by the client, Toth Financial may not be able to liquidate the investments quickly enough, further increasing losses.

Client accounts are opened allowing for the use of margin unless instructed otherwise by the client. Additionally, clients may authorize the use of leveraged products in their accounts to achieve investment goals.

**Short Sales** - Short selling, or the sale of securities not owned by the client, involves certain additional risks. Such transactions expose the client to the risk of loss in an amount greater than the initial investment, and such losses can increase rapidly and without effective limit. There is the risk that the securities borrowed by the client would need to be returned to the lender on short notice. Such a request could require Toth Financial to purchase the securities in the open market at prices that are significantly higher than the proceeds from the initial sale of the securities.

**Options** - The purchase or sale of an option involves the payment or receipt of a premium by the client and the corresponding right or obligation, as the case may be, to either buy or sell the underlying security, commodity, or other instrument for a pre-determined price at or before a pre-determined time. Buying options involves the risk that the price of the underlying security will not change in the manner expected, so the client loses its premium. Selling options involves a greater risk because the client is exposed to the actual price movement of the underlying security.

**Non-U.S. Securities** – Toth Financial may invest and trade a portion of the client’s assets in non-U.S. securities and other assets which will give rise to risks relating to political, social, and economic developments abroad, as well as currency fluctuation and risks resulting from the differences between the regulations to which U.S. and non- U.S. issuers and markets are subject.

**Sub-Investment Advisory Services** – Watkinson Capital Advisors, LLC (WCA)

Toth Financial may engage WCA as a sub-advisor on municipal bond accounts for some Toth Financial clients upon client approval. Clients do not pay an additional fee for sub-investment services performed by WCA.

**Long-Term Holding Risk** – Long-term holding is designed to capture return and risk market rates. Due to its nature, the long-term investment strategy can expose clients to various types of risks that typically surface at multiple intervals when they own the investments. These risks include but are not limited to inflation (purchasing power) risk, interest-rate risk, economic risk, market risk, and political/regulatory risk.

## **ITEM 9: Disciplinary Information**

None within the last 10 years.

## **ITEM 10: Other Financial Industry Activities and Affiliations**

Thomas A. Toth, Sr. is the Managing Member of TFAC Leasing, LLC and Loudoun Properties Office Condominium Unit Owners Association, Inc., formed to purchase commercial property in Leesburg, Virginia and has developed two commercial buildings, one of which is the location of the main offices for Toth Financial. Time spent is approximately 3 hours per month, none during securities trading hours.

Thomas A. Toth, Sr. is President of Toth and Associates, Inc. a subsidiary company offering insurance products to clients. Thomas A. Toth Sr., Thomas A. Bowman, Jr., and Brawn C. Sproul are licensed insurance agents for several insurance companies. These activities are paid on a commission basis and involve less than 5% of their total working hours. As a result of the commissions received, a potential conflict of interest may exist with advisory clients' interests. Clients are under no obligation, contractual or otherwise, to engage Thomas A. Toth, Sr., Thomas A. Bowman, Jr., or Brawn C. Sproul as insurance agents.

Toth Financial is the General Partner of the **Fund**, which is a private investment partnership. Additional information concerning the **Fund** is contained in a Private Placement Memorandum dated February 1, 2005 (the initial offering) and the most recent update is November 2017.

## **ITEM 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

It is possible that Toth Financial may have a position in securities recommended to clients. Toth Financial will state ownership of recommended securities if asked by the client. However, Toth Financial will not mention ownership as a means of influencing clients to invest in or sell such securities.

Toth Financial has adopted a Code of Ethics (Code) to establish policies addressing its fiduciary duties to our clients. The Code generally prohibits fraudulent or manipulative practices in connection with client investments. The Code establishes policies regarding personal trading by its employees. Toth Financial also has implemented procedures designed to ensure compliance with the provisions of the Code, including having employees file quarterly transaction reports and annual securities holdings reports.

Our portfolio and assistant portfolio managers will not purchase or sell securities for their own account if the transaction will disadvantage clients in any way. We maintain transaction records for all employee securities transactions. We also prohibit insider trading and comply with applicable provisions of state and federal law. Toth Financial will provide a copy of our Code of Ethics upon request.

## **ITEM 12: Brokerage Practices**

While providing our services, we will execute trades for our clients through various broker-dealers. Generally, most trades will be placed with the broker-dealer that has custody over the client assets. However, when a client has given Toth Financial 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 particular circumstances. With respect to execution, we consider a number of qualitative factors, including 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.

In addition, broker-dealer fees may vary and be greater than those typical for similar investments if we determine that the research, execution, and other services rendered by a particular broker merit greater than typical fees. Also, in certain instances we may execute over-the-counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market makers mark-up or mark-down.

### Trade Aggregation

Transactions for each client account generally will be effected independently, unless Toth Financial decides to purchase or sell the same securities for a number of client accounts simultaneously. When possible, orders for the same security may be combined, or batched, to facilitate best execution. Accounts in which a related person or affiliate of Toth Financial has a financial interest (“related accounts”) may participate in batched transactions with Toth Financial’s other advisory clients. Toth Financial effects batched transactions in a manner designed to ensure that no participating client, including any related account, is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of Toth Financial’s transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. Toth Financial may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients.

Additionally, if Toth Financial is unable to fully execute a batched transaction and Toth Financial determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, Toth Financial may allocate such securities in a manner determined in good faith to be a reasonable and fair allocation.

### Allocation

When Toth Financial transacts securities for more than one account, the investment opportunities and trades are allocated in a manner consistent with our fiduciary duties. Toth Financial takes into account cash availability and need, suitability, investment objectives and guidelines and other factors deemed appropriate in making investment allocation decisions. The Chief Compliance Officer will conduct periodic reviews of client account performance and purchase and sale journals to ensure that no client or group of clients is being systematically favored or harmed in the selection and allocation of investment opportunities.

Toth Financial 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 our absolute discretion it is not practical or desirable to acquire a position in such security.

### Directed Brokerage

Toth Financial generally uses Charles Schwab & Co. as the broker for its client accounts. The decision to use Charles Schwab is based on the excellent service that both Toth Financial and clients receive from them. On a semi-annual basis Toth Financial researches the market to ensure that the commissions paid to Charles Schwab are competitive in relation to the services provided by other broker-dealers. Currently, Toth Financial does not use any research or products provided by Charles Schwab. If a client wishes for the advisor to use another broker, other than Charles Schwab, Toth Financial will accommodate the request.

Discretionary power is required for the accounts held at Charles Schwab & Co.

Clients that restrict Toth Financial from using a particular broker-dealer (or direct Toth Financial to use a particular broker-dealer) for executing their transactions will generally 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. In general, Toth Financial will execute aggregated orders for non-directed clients before we execute orders for clients that direct brokerage.

### Held Away Accounts

Certain client accounts such as employer sponsored 401(k) Plans, 403(b) Plans, etc., that are held with a custodian that is not directly accessible to Toth Financial are hereby referred to as Held Away Accounts (HAA). Toth Financial has retained Pontera Solutions, Inc. (Pontera) to provide an Order Management System (OMS) to facilitate management of held away assets/accounts. The OMS platform allows the Advisor to affect discretionary trades on such accounts without direct access to client log-in credentials. Accounts will be rebalanced considering client investment goals and risk tolerance. Any change in allocations will consider current economic and market trends. In addition, assets held in HAA will be included in the client's performance and asset allocation reports. Toth Financial will only manage HAA with the client's written permission.

Fees for managing HAA will be included in the fee schedule described in ITEM 5: Fees and Compensation. Toth Financial is not affiliated with Pontera in any way and receives no compensation from Pontera for using the platform.

### **ITEM 13: Review of Accounts**

Brokerage assets are held at Charles Schwab & Co. Charles Schwab. Charles Schwab provides the client with monthly statements. Toth Financial has access to these statements through their secure website.

#### Portfolio Management Using Individual Stocks with **Annual Reporting**

Once per year the client will receive a detailed report providing portfolio analysis of the holdings including performance data. This report will be included with the annual contract renewal.

#### Portfolio Management Using Individual Stocks with **Quarterly Reporting**

Each calendar quarter, the client will receive a detailed report providing portfolio analysis of the holdings including performance data. This service is provided automatically unless the client requests that the report be sent less frequently.

### **ITEM 14: Client Referrals and Other Compensation**

We have entered into client referral arrangements with third parties whereby we will pay a solicitor a portion of the advisory fees paid by clients referred to Toth Financial by those solicitors. In such cases, this practice will be disclosed in writing to the client, and we will comply with the other requirements of Rule 206(4)-3 under the Investment Advisers Act of 1940, as amended, to the extent required by applicable law.

### **ITEM 15: Custody**

All client accounts are held in custody by unaffiliated broker-dealers or banks, but Toth Financial can access many client accounts through its ability to debit advisory fees. For this reason, Toth Financial is considered to have custody of client assets. Account custodians send statements directly to the account owners on at least a quarterly basis. Clients should carefully review these statements and should compare these statements to any account information provided by Toth Financial.

Toth Financial is considered to have custody of the **Fund** as it serves as the General Partner of the **Fund**. Limited partners of the **Fund** will not receive statements from the custodian. Instead, the **Fund** is subject to an annual audit and the audited financial statements are distributed to each limited partner. The audited financial statements will be prepared in accordance with generally accepted accounting principles and distributed within 120 days of the **Fund**'s fiscal year end.

## **ITEM 16: Investment Discretion**

Toth Financial manages accounts on a discretionary or non-discretionary basis as agreed to with the client. If the client grants Toth Financial investment discretion, we are authorized to invest, sell, and reinvest proceeds in the client's account without obtaining the client's prior confirmation of any proposed action. The only limitations on the investment authority will be those limitations imposed in writing by the client. If Toth Financial is granted non-discretionary authority, then we are authorized to invest, sell, and reinvest proceeds in the client's account, only upon obtaining prior confirmation from the client of any proposed action.

## **ITEM 17: Voting Client Securities**

The obligation to vote client proxies shall rest with Toth Financial's clients unless Toth Financial is granted written authority to vote proxy on behalf of their account(s). Clients shall in no way be precluded from contacting Toth Financial for advice or information about a particular proxy vote. However, Toth Financial shall not be deemed to have proxy voting authority solely as a result of providing such advice to clients.

Additionally, Toth Financial shall be responsible for voting proxies on behalf of the **Fund** consistent with our fiduciary duty to the **Fund**.

Toth Financial has retained Broadridge Investor Communications Solutions (Broadridge) to facilitate coordinating, monitoring, and voting proxies with respect to those accounts for which Toth Financial has been granted full authority to vote proxies. Toth Financial subscribes to an automated Broadridge service: Proxy Policies & Insights (PPI). PPI is a data-driven Shareholder Value (SV) Template (Template), created using the publicly disclosed vote records of top fund families whose goal is to maximize shareholder value.

PPI does not provide subjective research reports and does not include any Broadridge recommendation as to the manner in which Toth Financial should vote or the factors that Toth Financial should consider when voting on any issue, candidate, or ballot proposition.

Toth Financial retains the right to override the automated Template and may opt to abstain from voting if it deems that abstinence is in its clients' best interests or if an automated vote is not provided by the Template.

Toth Financial will monitor Broadridge to ensure that proxies are voted in a timely manner and will retain appropriate records. The Chief Compliance Officer (CCO) and Chief Investment Officer (CIO) will review BROADRIDGE's SV Template no less than annually to determine their continued appropriateness. The Toth Financial Chief Investment Officer will review a random sample of proxy votes no less than annually to determine consistency of client votes based on the pre-determined Template.

With regard to all matters other than proxies for which shareholder action is required or solicited with respect to securities beneficially held by the **Fund**, such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations, Toth Financial will take all necessary actions.

The client retains the right to direct how it wishes TFAC to vote on any proxy.

## **ITEM 18: Financial Information**

Toth Financial has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.

# Toth Financial Advisory Corporation Part 2B of Form ADV The Brochure Supplement

608 South King Street, Suite 300,  
Leesburg, VA 20175  
[www.tothfinancial.com](http://www.tothfinancial.com)

Updated: March 2024

This brochure supplement provides information about Thomas A. Toth, Sr., Kenneth J. Bowen, II, Thomas A. Bowman, Jr., Kevin W. Arbogast, Brawn C. Sproul, Wesley S. Kabance, Todd O. Pettibon, Jordan B. Sorrenti, Alyssa Prieto, and Stephanie E. Muskovac. It supplements Toth Financial's accompanying Form ADV brochure. Please contact Toth Financial's Chief Compliance Officer at 703-443-8684 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Thomas A. Toth, Sr., Kenneth J. Bowen, II, Thomas A. Bowman, Jr., Kevin W. Arbogast, Brawn C. Sproul, Wesley S. Kabance, Todd O. Pettibon, Jordan B. Sorrenti, Alyssa Prieto, and Stephanie E. Muskovac is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).



## **Thomas A. Toth, Sr. Biographical Information**

Date of Birth: 01-07-44

### Educational Background and Business Experience

#### Education:

1978 – B.A. Political Science (Minor in Business)

1979 – Marine Corps Command and Staff College

1984 – Series 7 & General Securities

1984 – Series 63 State Qualifications

1984 – Life and Health Insurance License

1986 – Series 24 Registered Securities Principal

1988 – Series 27 Financial and Operations Principal

1989 – Series 65 Uniform Investment Advisor Law Exam

1993 – Designated as a Certified Financial Planner (CFP®)

Ongoing - 3 courses remaining to complete MBA in Business Management

#### Business Experience:

2022 – Current Chairman of the Board of Directors, Toth Financial Advisory Corp.

1986 – Current Director, Toth Financial Advisory Corp.

1986 – 2021 President and Chief Executive Officer, Toth Financial Advisory Corp

1986 – Current President, Toth and Associates, Inc.

1984 – 1986 DeRand Investment, Corp.

1984 – 1984 Baker, Watts & Company 1983-1984 Self Employed (marketing)

1961 – 1983 U.S.M.C. (retired as Lieutenant Colonel)

### Disciplinary Information

Mr. Toth, Sr has not been involved in any legal or disciplinary events within the last 10 years that would be material to a client's evaluation of Mr. Toth or of Toth Financial.

### Other Business Activities

Thomas A. Toth, Sr. is the Managing Member of TFAC Leasing, LLC and Loudoun Properties Office Condominium Unit Owners Association, Inc., formed to purchase commercial property in Leesburg, Virginia and has developed two commercial buildings, one of which is the location of the main offices for Toth Financial. Time spent is approximately 3 hours per month, none during securities trading hours.

Thomas A. Toth, Sr. is President of Toth and Associates, Inc. a subsidiary company offering insurance products to clients. These activities are paid on a commission basis and involve less than 1% of his total working hours.

### Additional Compensation

Mr. Toth does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As Toth Financial's Board of Directors Chairman, Mr. Toth presides over the governing body of Toth Financial. Mr. Toth discusses policies of corporate management and oversight with The Toth Financial Board of Directors and Toth Financial's Chief Compliance Officer, Thomas A. Bowman. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Kenneth J. Bowen, II Biographical Information**

Date of Birth: 08-15-1962

### Educational Background and Business Experience

#### Education:

1986 – BS, Clemson University

1990 – MS, Troy University

2007 – MS, National Defense University (National War College)

2014 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2022 – Current            President and Chief Executive Officer (CEO), Toth Financial Advisory Corp.

2016 – Current            Director, Toth Financial Advisory Corp.

2014 – Current            Portfolio Manager, Toth Financial Advisory Corp.

2013 – 2021                Chief Operating Officer, Toth Financial Advisory Corp.

1986 – 2013                Captain, United States Navy

### Disciplinary Information

Mr. Bowen has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Bowen or of Toth Financial.

### Other Business Activities

Mr. Bowen is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

### Additional Compensation

Mr. Bowen does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As Toth Financial's President and Chief Executive Officer, Mr. Bowen maintains ultimate responsibility for the company's operations. Mr. Bowen discusses operational and compliance decisions with Toth Financial's Chief Compliance Officer, Thomas A. Bowman, Jr. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Thomas A. Bowman, Jr. Biographical Information**

Date of Birth: 09-25-61

### Educational Background and Business Experience

#### Education:

1984 – Bachelor of Science; Mechanical Engineering, University of Maryland

1991 – Master of Engineering Administration, George Washington University

1999 – Series 63 State Qualifications

2000 – Series 65 Uniform Investment Advisor Law Exam

2001 – Life and Health Insurance License

2002 – Designated as an Accredited Asset Management Specialist (AAMS)

2004 – Series 7 & General Securities

#### Business Experience:

2022 – Current      President and Chief Compliance Officer, Toth Financial Advisory Corp.

2009 – 2021      Executive Vice President and Chief Compliance Officer; Toth Financial  
Advisory Corp.

2006 – Current      Director; Toth Financial Advisory Corp.

2000 – Current      Portfolio Manager; Toth Financial Advisory Corp.

1999 – Current      Portfolio Manager; Toth and Associates, Inc.

1997 – 2000      Various Engineering Program/Project Management positions at Naval  
Air Systems Command and Naval Sea Systems Command.

1985 – 1997      Various Supervisory, Program/Project Management and Engineering  
positions at Naval Ordnance Station and Naval Surface Warfare Center.

### Disciplinary Information

Mr. Bowman has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Bowman or of Toth Financial.

### Other Business Activities

Mr. Bowman is a licensed insurance agent for several insurance companies. These activities are paid on a commission basis and involve less than 1% of his total working hours.

### Additional Compensation

Mr. Bowman does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As a Toth Financial Director, President and Chief Compliance Officer, Mr. Bowman works together with the other executive officers of Toth Financial to oversee the company's operations. Mr. Bowman discusses operational and compliance decisions with Toth Financial Chairman of The Board, Thomas A. Toth, and President and Chief Executive Officer, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Kevin W. Arbogast Biographical Information**

Date of Birth: 03-30-1986

### Educational Background and Business Experience

#### Education:

2009 – BS, Finance, The University of Akron

2011 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2022 – Current Chief Investment Officer, Toth Financial Advisory Corp.

2019 – 2021 Vice President of Investment Research, Toth Financial Advisory Corp.

2011 – Current Portfolio Manager, Toth Financial Advisory Corp.

2010 – 2018 Operations Manager, Toth Financial Advisory Corp.

#### Disciplinary Information:

Mr. Arbogast has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Arbogast or of Toth Financial.

#### Other Business Activities

Mr. Arbogast is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

#### Additional Compensation

Mr. Arbogast does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

#### Supervision

As a Toth Financial Portfolio Manager, Mr. Arbogast's investment activities are supervised by Toth Financial President and Chief Executive Officer, Kenneth J Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Brawn C. Sproul (a.k.a. “Mitch”) Biographical Information**

Date of Birth: 03-17-55

### Educational Background and Business Experience

#### Education:

1978 – BS, Political Science, Mary Washington College  
1999 – Designated as a Chartered Life Underwriter  
2001 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2022 – Current	Portfolio Manager, Toth Financial Advisory Corp.
2006 – 2021	Director and Vice President of Business Development; Toth Financial Advisory Corp.
2006 – Current	Licensed Insurance Agent; Toth and Associates, Inc.
2004 – 2006	Managing Director, Washington Metro Financial Org.
1998 – 2003	2 <sup>nd</sup> Vice President, Acacia Companies
1995 – 1997	Director, Acacia Companies
1994	Manager Insurance Product Development & Support
1994	Chairman’s Quality Circle Award
1992 – 1993	President’s Cabinet Qualifier
1988 – 1991	Sales Manager, Northern Virginia Financial Center
1981 – 1987	Account Manager

### Disciplinary Information

Mr. Sproul has not been involved in any legal or disciplinary events that would be material to a client’s evaluation of Mr. Sproul or of Toth Financial.

### Other Business Activities

Mr. Sproul is a licensed insurance agent for several insurance companies. These activities are paid on a commission basis and involve less than 5% of his total working hours.

### Additional Compensation

Mr. Sproul does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As a Toth Financial Portfolio Manager, Mr. Sproul’s investment activities are supervised by Toth Financial President and Chief Executive Officer, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Wesley S. Kabance Biographical Information**

Date of Birth: 12-19-1966

### Educational Background and Business Experience

#### Education:

1994 – Series 6 – Investment Company Products/Variable Contracts Representative Exam  
1994 – Series 63 Uniform Securities Agent State Law Exam  
2008 – BA, Communication Studies, University of Kansas  
2017 – Series 7 General Securities Representative Exam  
2018 – SIE – Securities Industry Essentials Exam  
2019 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2019 – Current      Portfolio Manager, Toth Financial Advisory Corp.  
1990 – 2018      American Century Investments – Kansas City, MO  
2008 – 2018      Financial Advisor Consultant (MD, VA, DC)  
2001 – 2008      Institution Marketing Representative  
1998 – 2001      Team Development Specialist  
1996 – 1998      NSCC Service Representative  
1993 – 1996      Alternate Distribution Service Representative  
1990 – 1993      Customer Service Representative

### Disciplinary Information:

Mr. Kabance has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Toth or of Toth Financial.

### Other Business Activities

Mr. Kabance is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

### Additional Compensation

Mr. Kabance does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As a Toth Financial Portfolio Manager, Mr. Kabance's investment activities are supervised by Toth Financial President and Chief Executive Officer, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Todd O. Pettibon Biographical Information**

Date of Birth: 09-30-1968

### Educational Background and Business Experience

#### Education:

1993 – BS, Marine Engineering, Massachusetts Maritime Academy

2010 – EMBA, Naval Postgraduate School

2013 – MS, National Defense University (The Eisenhower School)

2020 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2020 – Current      Portfolio Manager, Toth Financial Advisory Corp.

2019 – 2020      Business Strategist to Chief of Naval Personnel, Financial Management &  
Budget Office, Deloitte Consulting, LLP

1993 – 2019      Commander, United States Navy  
Secretary of the Navy, Financial Management & Comptroller  
Joint Staff / Force Structure, Resources, & Assessments

### Disciplinary Information

Mr. Pettibon has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Pettibon or of Toth Financial.

### Other Business Activities

Mr. Pettibon is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

### Additional Compensation

Mr. Pettibon does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As a Toth Financial Portfolio Manager, Mr. Pettibon's investment activities are supervised by Toth Financial President and Chief Executive Officer, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Jordan B. Sorrenti Biographical Information**

Date of Birth: 09-15-1989

### Educational Background and Business Experience

#### Education:

2012 – BS, German Language (Environmental Engineering Minor), United States Military Academy

2018 – Project Management Professional, Project Management Institute

2021 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2021 – Current Portfolio Manager, Toth Financial Advisory Corp.

2019 – 2021 Operations Associate, Toth Financial Advisory Corp.

2019 – 2019 Mortgage Loan Officer, Howard Bank

2012 – 2019 Captain, United States Army

### Disciplinary Information

Mr. Sorrenti has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Mr. Sorrenti or of Toth Financial.

### Other Business Activities

Mr. Sorrenti is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

### Additional Compensation

Mr. Sorrenti does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As a Toth Financial Portfolio Manager, Mr. Sorrenti's investment activities are supervised by Toth Financial President and Chief Executive Officer, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.



## **Alyssa Prieto Biographical Information**

Date of Birth: 05-01-1989

### Educational Background and Business Experience

#### Education:

2011 – Bachelor of Arts, Economics and Business Administration, George Washington University  
2021 – Master of Business Administration, University of Virginia, Darden School of Business  
2022 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2022 – Present      Portfolio Manager, Toth Financial Advisory Corp.  
2019 – 2021      Consultant, Deloitte Consulting, LLP  
2016 – 2019      Financial Management Specialist, White House Executive Residence  
2014 – 2016      Deputy Director for Finance and Budget, National Security Council  
2009 – 2014      Management and Program Analyst, U.S. Department of Homeland Security

#### Disciplinary Information:

Ms. Prieto has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Ms. Prieto or of Toth Financial.

#### Other Business Activities

Ms. Prieto is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

#### Additional Compensation

Ms. Prieto does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

#### Supervision

As a Toth Financial Portfolio Manager, Ms. Prieto's investment activities are supervised by Toth Financial President, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

## **Stephanie E. Muskovac Biographical Information**

Date of Birth: 11-22-1979

### Educational Background and Business Experience

#### Education:

2002 – BS, Economics, United States Naval Academy

2010 – EMBA, Naval Postgraduate School

2023 – Series 65 Uniform Investment Advisor Law Exam

#### Business Experience:

2023 – Present      Portfolio Manager, Toth Financial Advisory Corp.

2002 – 2022      Lieutenant Commander, United States Navy

### Disciplinary Information:

Ms. Muskovac has not been involved in any legal or disciplinary events that would be material to a client's evaluation of Ms. Muskovac or of Toth Financial.

### Other Business Activities

Ms. Muskovac is not engaged in any other investment related business and does not receive compensation in connection with any business activity outside of Toth Financial.

### Additional Compensation

Ms. Muskovac does not receive economic benefits from any person or entity other than Toth Financial in connection with the provision of investment advice to clients.

### Supervision

As a Toth Financial Portfolio Manager, Ms. Muskovac's investment activities are supervised by Toth Financial President, Kenneth J. Bowen, II. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.