

Toth Financial Advisory Corporation

Part 2A of Form ADV

The Brochure

608 South King Street, Suite 300, Leesburg, VA 20175

Updated: February 2012

This brochure provides information about the qualifications and business practices of Toth Financial Advisory Corporation (“Toth Financial”). If you have any questions about the contents of this brochure, please contact us 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.

Material Changes

In 2010, the SEC required significant changes to the content and format of Part 2 of Form ADV. This brochure, which reflects those changes, is materially different from brochures used by Toth Financial in prior years.

Table of Contents

Material Changes	2
Table of Contents	2
Advisory Business	2
Fees and Compensation	3
Performance Based Fees and Side-by-Side Management	6
Types of Clients	6
Methods of Analysis, Investment Strategies and Risk of Loss	7
Disciplinary Information	8
Other Financial Industry Activities and Affiliations	9
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	9
Brokerage Practices	9
Review of Accounts	11
Client Referrals and Other Compensation	12
Custody	12
Investment Discretion	12
Voting Client Securities	12
Financial Information	13
Thomas Andrew Toth, Sr. Biographical Information	15
Priscilla M. Toth Biographical Information	17
Thomas A. Bowman, Jr. Biographical Information	18
Brawn C. Sproul Biographical Information	19
Thomas A. Toth, Jr. Biographical Information	21
Gary E. Colpas Biographical Information	22
Jesse J. Hernandez Biographical Information	23
Kevin W. Arbogast Biographical Information	24

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 Andrew Toth, Sr. and Priscilla Marie Toth. As of December 31, 2011 Toth Financial managed \$235,492,600 on a discretionary basis on behalf of approximately 340 clients.

Client assets are generally invested in the common stock of companies that have grown their net earnings at a compound rate of at least 10% per year. This allows us to take a “buy and hold” approach that minimizes portfolio turnover to a range of 15% to 20% per year.

Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, 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.
- Determine 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 the Toth Financial Privacy Disclosure Notice.

Toth Financial also offers the Morningstar Managed Portfolio for those clients whose investment is below the minimum requirement of \$250,000 for individual stock portfolios.

Morningstar Investment Services, Inc. acts as the transfer agent and custodian for the investor's account. Morningstar Investment Services, Inc. provides reporting services including consolidated quarterly statements, quarterly performance reports, and year-end tax reports.

Toth Financial serves as the general partner (the "General Partner") to a private pooled investment vehicle, the **Toth Growth & Income Fund, LP (the "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.

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:

Up to and including \$ 1,000,000				1.30% per annum
Greater than \$ 1,000,000	and up to	\$ 2,500,000		1.10% per annum
Greater than \$ 2,500,000	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

There is a minimum annual fee of \$3,250 for portfolio management 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**

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.

There is a minimum annual fee of \$4,060 for portfolio management 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 request that the report be sent less frequently.

529 plans, limited partnership and fixed annuities will be charged at the annual rate of 0.10%. For stand-alone 529 plans (without an individual stock or mutual fund portfolio) the management fee will be 1.0% per year.

For those clients who desire that Toth Financial make recommendations for 401K plans held by their employers (and not managed by Toth Financial) will be charged an annual fee of 0.25%.

The company has clients who have retained its services prior to the establishment of the current rate schedule and minimum annual fee. These clients will continue to receive portfolio management under their existing contracts.

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 we begin to manage the account. Thereafter, our 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 1/10th of the total portfolio, Toth Financial has the discretion to charge a management fee for these additional funds. The same rate schedule for the management of the funds as the initial investment will apply.

The assets are held at Charles Schwab & Co. Charles Schwab will provide the client with monthly statements. Toth Financial has access to these statements through Schwab's secure websites.

Portfolio Management Using **Morningstar Managed Portfolio**

On-going fees are charged by Morningstar based on daily asset value. Morningstar collects our fees and remits periodically to Toth Financial.

Our fee structure for Morningstar Managed Portfolio is as follows:

<u>Initial Investment</u>	<u>On-going Fee to Toth Financial</u>
\$ 50,000 to \$ 250,000	0.75% per year
\$ 250,001 to \$ 500,000	0.70% per year
\$ 500,001 to \$ 750,000	0.65% per year
\$ 750,001 to \$1,000,000	0.60% per year

If the client desires to terminate the Portfolio Management Contract, he/she may do so at any time. However, it is imperative that the request be in writing, and be sent to the offices of the firm; Toth Financial, 608 South King Street, Suite 300, Leesburg, Virginia 20175. The client may also email their 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 are 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** (this section is 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 (the "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 (the "Profit Allocation") on the twelve (12)-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 (12) 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 and 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 and brokers and other third parties to fully understand the total amount of fees to be paid by the Fund.

Performance Based Fees and Side-by-Side Management (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.

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 \$250,000. However, Toth Financial retains the discretion to waive the account minimum.

There is a minimum annual fee of \$3,250 for portfolio management with annual reporting and \$4,060 for portfolio management with quarterly reporting.

Toth Financial also offers the Morningstar Managed Portfolio for those clients whose investment is below the minimum requirement of \$250,000 for individual stock portfolios.

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 \$1,000,000 for investors in the Fund. Limited Partners are generally required to have a net worth (with such investor's spouse) of at least \$1.5 million or invest at least \$1,000,000 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.

Methods of Analysis, Investment Strategies and Risk of Loss

Toth Financial uses primarily a fundamental analysis for stocks, with particular emphasis on earnings per share, sales per share, years uninterrupted and/or increased earnings, net profit, debt-equity ratio, % earned common equity, revenue sources and outlook. For mutual funds, 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 and 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. 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, high-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. Debt securities will also be acquired periodically to provide balance to the portfolio. 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. When Toth Financial believes that the economy is in or is preparing for a recession, bonds and other high interest bearing investments will be emphasized within the Fund's portfolio. Therefore, the Fund's investment mix at any particular time generally will 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 - the use of leverage, the act of borrowing capital to make investments, 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 borrowing the capital in the first place. Also, 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 quick enough further increasing losses.

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.

Disciplinary Information

In April 2002, Mr. Thomas A. Toth, Sr. and the broker-dealer firm, Cadaret, Grant & Co., Inc. ("Respondents"), were named as the subjects of a NASD arbitration (Case No. 02-02151) involving a complaint filed by a former client ("Claimant"). The Claimant alleged the following statute and/or securities rule violations; common law fraud; breach of fiduciary duty; SEC Rule 10(b)-3 and 10(D)-5; 29(B) of the Security Exchange Act; NASD Conduct Rules 2120, 2310,

2110 and 2010(A); negligence; breach of contract; respondent superior; Security Exchange Act 20(D); and Florida statute 768.73 and 517.301.

On April 23, 2003, the NASD Arbitration panel found the Respondents liable to the Claimant on the claims for violation of Section 517.12 and 517.301 of the Florida Statutes. As such, the Respondents were, jointly and severally, liable and required to pay Claimants compensatory damages of \$464,014. All other claims for relief were denied.

Other Financial Industry Activities and Affiliations

Thomas A. Toth, Sr. is the Managing Member of Loudoun Properties, LLC, 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. Client will be 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 updated February 1, 2011.

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 (the "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 personnel 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.

Brokerage Practices

In the course of 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 us 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 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. Mr. Thomas A. Toth, Sr. 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.

We are 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

Clients that restrict us 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. We will generally execute aggregated orders for non-directed clients before we execute orders for clients that direct brokerage.

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

The advisor 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 the advisor and the client receive from them. On a quarterly basis the advisor 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, the advisor 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, the advisor will accommodate the request.

Review of Accounts

Portfolio management using individual stocks with **Annual Reporting**

The assets are held at Charles Schwab & Co. Charles Schwab will provide the client with monthly statements. Toth Financial has access to these statements through their secure websites.

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**

The assets are held at Charles Schwab & Co. Charles Schwab will provide the client with monthly statements. Toth Financial has access to these statements through their secure websites.

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 request that the report be sent less frequently.

Portfolio management using **Morningstar Managed Portfolio**

Morningstar Investment Services, Inc. acts as the transfer agent and custodian for the investor's account. Morningstar Investment Services, Inc. provides reporting services including consolidated quarterly statements, quarterly performance reports, and year-end tax reports.

Client Referrals and Other Compensation

We have entered into client referral arrangements with third parties whereby we will pay cash or a portion of the advisory fees paid by Clients referred to us 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.

Custody

All clients' accounts are held in custody by unaffiliated broker/dealers or banks, but Toth Financial can access many clients' 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.

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 from the client prior confirmation of any proposed action.

Voting Client Securities

Toth Financial does not vote proxies as stated in the client Portfolio Management Contract.

Toth Financial's policy on proxy voting with respect to the **Fund** is to vote proxies consistent with its fiduciary duty to the Fund. Toth Financial shall be responsible for voting proxies on behalf of the Fund. Toth Financial shall vote proxies in a way that it believes will cause securities to increase the most or decline the least in value in order to maximize shareholder value. Consideration will be given to both the short- and long-term implications of the proposal to be voted on when considering the optimal vote.

Toth Financial attempts to identify any conflicts of interests between the Fund's interests and Toth Financial's own interests within its proxy voting process. If Toth Financial determines that it or one of its officers, partners, members or employees faces a material conflict of interest in voting a proxy (e.g., an employee of Toth Financial may personally benefit if the proxy is voted in a certain direction), Toth Financial's procedures provide that an independent party will be engaged to determine the appropriate vote. Toth Financial's complete proxy voting policy and procedures are memorialized in writing and are available to investors. In addition, Toth Financial maintains a record of all of the proxy votes cast on behalf of the Fund, which is available upon request to Fund investors.

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.

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

Updated: February 2012

This brochure supplement provides information about Thomas Andrew Toth, Sr., Priscilla M. Toth, Thomas A. Bowman, Jr., Brawn C. Sproul, Thomas A. Toth, Jr., Gary E. Colpas, Jesse J. Hernandez, and Kevin W. Arbogast. 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 Andrew Toth, Sr., Priscilla M. Toth, and Thomas A. Bowman, Jr., Brawn C. Sproul, Thomas A. Toth, Jr., Gary E. Colpas, Jesse J. Hernandez, and Kevin W. Arbogast is available on the SEC's website at www.adviserinfo.sec.gov.

Thomas Andrew Toth, Sr. Biographical Information

Educational Background and Business Experience

Date of Birth: 01-07-44

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:

1986-Current President, 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

In April 2002, Mr. Thomas A. Toth, Sr. and the broker-dealer firm, Cadaret, Grant & Co., Inc. ("Respondents"), were named as the subjects of a NASD arbitration (Case No. 02-02151) involving a complaint filed by a former client ("Claimant"). The Claimant alleged the following statute and/or securities rule violations; common law fraud; breach of fiduciary duty; SEC Rule 10(b)-3 and 10(D)-5; 29(B) of the Security Exchange Act; NASD Conduct Rules 2120, 2310, 2110 and 2010(A); negligence; breach of contract; respondent superior; Security Exchange Act 20(D); and Florida statute 768.73 and 517.301.

On April 23, 2003, the NASD Arbitration panel found the Respondents liable to the Claimant on the claims for violation of Section 517.12 and 517.301 of the Florida Statutes. As such, the Respondents were, jointly and severally, liable and required to pay Claimants compensatory damages of \$464,014. All other claims for relief were denied.

Other Business Activities

Thomas A. Toth, Sr. is the Managing Member of Loudoun Properties, LLC, 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 founder and President, Mr. Toth maintains ultimate responsibility for the company's operations. Mr. Toth discusses operational and compliance decisions with Toth Financial's Chief Compliance Officer, Thomas Bowman. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Priscilla M. Toth Biographical Information

Educational Background and Business Experience

Date of Birth: 10-31-44

Education:

Attended University of Colorado, Boulder, CO

Business Experience:

1986-Current Vice President, Toth Financial Advisory Corp.

1986-Current Vice President, Toth and Associates, Inc.

Disciplinary Information

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

Other Business Activities

Mrs. Toth 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

Mrs. 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 Vice President, Mrs. Toth works closely with the other executive officers to oversee the company's operations. Mrs. Toth discusses operational and compliance decisions with Toth Financial's Chief Compliance Officer, Thomas Bowman. 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

Educational Background and Business Experience

Date of Birth: 09-25-61

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 – Accredited Asset Management Specialist (AAMS)
2004 – Series 7 & General Securities

Accredited Asset Management Specialist, AAMS® is a professional designation issued by The College for Financial Planning to individuals who have successfully completed the course of study encompassing investments, insurance, tax, retirement, and estate planning issues and have passed a rigorous examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations. Designees also have agreed to adhere to the Standards of Professional Conduct and are subject to a disciplinary process.

Every two years designees must renew their designation by:

- Completing 16 hours of continuing education
- Reaffirming adherence to the Standards of Professional Conduct, and
- Complying with self-disclosure requirements.

Business Experience:

2009 -Current	Executive Vice President; 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 Toth Financial's Executive Vice 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's President, Thomas A. Toth, Sr. 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

Educational Background and Business Experience

Date of Birth: 03-17-55

Education:

- 1978 – B.S. Political Science, Mary Washington College
- 1987 – Designated as a Certified Financial Planner (CFP®)
- 1999 – Designated as a Chartered Life Underwriter
- 2001 – Series 65 Uniform Investment Advisor Law Exam

Certified Financial Planner™

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 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 62,000 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

Business Experience:

2006 - Current 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 2nd 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 Toth Financial's Director and Vice President of Business Development, Mr. Sproul works together with the other executive officers of Toth Financial to oversee the company's operations. Mr. Sproul discusses operational and compliance decisions with Toth Financial's President, Thomas A. Toth, Sr. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Thomas A. Toth, Jr. Biographical Information

Educational Background and Business Experience

Date of Birth: 05-09-1964

Education:

1983 – Computer Sciences, Northern Virginia Community
1999 - Series 65 Uniform Investment Advisor Law Exam

Business Experience:

2008 – Current Chief Technology Officer, Portfolio Manager and Stock Trader,
Toth Financial Advisory Corp.
1999 – Current Director of Information Technology and Portfolio Manager, Toth Financial
1995 – 1999 Portfolio Manager in training and Director of IT, Toth Financial
1992 – 1995 Software Architect and programmer, BRTRC Systems
1991 – 1992 Project manager, in-house software development as on-site manager of TQM
for Army Material Comment; required top secret clearance. Employer and
holder of DoD contract was PRC, Reston, VA
1986 – 1991 Software designer, programmer, low-level systems development, lecturer
and instructor for a wide range of software as well as programming
techniques and owner of Progressive Computer Consultants, Alexandria,
VA. Awarded well over 100 Dept. of Defense contracts for above listed
services as well as custom security and efficiency management software.
1986 – 1986 Assistant Financial Planner. Toth Financial
1984 – 1986 Stock broker, DeRand Investments, Arlington, VA

Disciplinary Information

Mr. Toth 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. Toth 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. 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 Chief Technology Officer and Portfolio Manager Mr. Toth works together with the other executive officers of Toth Financial to oversee the company's operations. Mr. Toth discusses operational and compliance decisions with Toth Financial's President, Thomas A. Toth, Sr. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Gary E. Colpas Biographical Information

Educational Background and Business Experience

Year of Birth: 10-6-45

Education:

1967 – BA in Sociology, St. Anslem College in Manchester, NH
1999 - Series 65 Uniform Investment Advisor Law Exam

Business Experience:

2000 – Current	Portfolio Manager, Toth Financial Advisory Corp.
1988 – 2000	Real Estate Agent
1985 – 1987	Director, Nationwide Recruiter Training, Headquarters Marine Corps

Disciplinary Information

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

Other Business Activities

Mr. Colpas 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. Colpas 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 Portfolio Manager, Mr. Colpas' investment activities are supervised by Toth Financial's President, Thomas A. Toth, Sr. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.

Jesse J. Hernandez Biographical Information

Educational Background and Business Experience

Date of Birth: 09-22-1935

Education:

1978 – National War College
1978 – MSIA (International Affairs), George Washington University
1958 – US Naval Academy
1994 - Series 65 Uniform Investment Advisor Law Exam

Business Experience:

1994 – Current	Portfolio Manager, Toth Financial Advisory Corp.
1995 – 2001	Member Board of Directors, Military Officers Association of America
1988 – 1989	USAA Board of Directors

Disciplinary Information

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

Other Business Activities

Mr. Hernandez 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. Hernandez 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 Portfolio Manager, Mr. Hernandez' investment activities are supervised by Toth Financial's President, Thomas A. Toth, Sr. 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

Educational Background and Business Experience

Date of Birth: 03-30-1986

Education:

2009 – B.S. of Finance, The University of Akron

2011 – Series 65 Uniform Investment Advisor Law Exam

Business Experience:

2009 – Intern, Broadleaf Partners, LLC (Money Management firm in Hudson, Ohio)

- Assisted with all operations of the firm
- Research assistant for new product involving mutual funds and allocations
- Co-managed the preparations, installation, & implementation of new trading software system. Then created training materials and taught to employees.
- Revised company Policies & Procedures – Compliance Manual.
- Learned proficiency with Advent Axys, a portfolio management system

2010 – Current Operations Manager, Toth Financial Advisory Corp.

2011 – Current Portfolio Manager, Toth Financial Advisory Corp.

- Solely responsible for Advent Axys portfolio management & reporting system
- Assist with nearly all aspects of the firms operations
- Prepare, audit, & execute daily trade orders

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 Toth Financial's Portfolio Manager, Mr. Arbogast's investment activities are supervised by Toth Financial's president, Thomas A. Toth, Sr. Any of these individuals can be reached directly by calling the telephone number on the cover of this brochure supplement.