

Luxon Asset Management LLC

Form ADV Brochure 2A

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www.luxonglobal.com
804-340-8100**

Revised March 26, 2019

This brochure provides information about the qualifications and business practices of Luxon Asset Management LLC. If you have any questions about the content of this brochure, please contact us at 804-340-8100.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Cary Street Partners Investment Advisory LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

This section describes the material changes to our Luxon Asset Management LLC programs since the last amendment of our Form ADV on March 31, 2018.

Page 4.

As of December 31, 2018, Luxon Asset Management LLC had on a discretionary basis \$303,413,667; \$92,168,207 on a non-discretionary basis

Page 5.

Removed the section – Investment Strategist Services, as the firm no longer offers this service.

Added a description of investment consulting services and portfolio management services.

Remove the section – Wrap-Fee Portfolio Management Services.

Page 5.

Updated the Investment Strategies section to reflect current model portfolio options available to clients.

Page 7.

Added a section that describes the selection of Brokers/Custodians.

Added a section describing the process for managing trade errors.

Page 9.

Revised the Voting Client Securities section to coincide with current policies to vote client proxies unless otherwise instructed by the client.

Item 3 Table of Contents

Item 2 Material Changes.....	2
Item 3 Table of Contents	3
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	4
Item 6 – Performance-based Fees	5
Item 7 – Types of Clients.....	5
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	5
Item 9 Disciplinary Information	6
Item 10 Other Financial Industry Activities and Affiliations.....	6
Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading.....	7
Item 12 Brokerage Practice.....	8
Item 13 Review of Accounts	8
Item 14 Client Referrals and Other Compensation	9
Item 15 Custody.....	9
Item 16 Investment Discretion	9
Item 17 Voting Client Securities.....	10
Item 18 Financial Information.....	10

Item 4 – Advisory Business

Luxon Asset Management, LLC (“Luxon”) is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a Limited Liability Company formed under the laws of the State of Virginia. Headquartered in Richmond, Virginia, Luxon was established on May 26, 2017 and is 100% owned by Luxon Financial LLC.

As of December 31, 2018, Luxon Asset Management had \$395,581,874 in assets under management; \$303,413,667 on a discretionary basis and \$92,168,207 on a non-discretionary basis.

Description of Advisory Services

Investment Consulting Services

Luxon provides investment consulting services for individuals and institutions on a non-discretionary basis. Luxon provides investment consulting services that relate to matters such as allocation of assets among different classes, portfolio diversification, managing portfolio risk, portfolio monitoring/evaluation, and other general economic and financial topics.

Luxon will obtain pertinent information about you and use the information as a basis for our recommendations. Our recommendations may be implemented, at your sole discretion, with the professional consultants of your choosing (including your broker, accountant, attorney, etc.).

Types of Investments

Luxon offers various products to clients through the advisory programs based on individual client needs including equities, mutual funds, options, fixed income and alternative investments.

Luxon hereby acknowledges that it is a “fiduciary” when the firm’s services are subject to the provisions of ERISA of 1974, as amended.

Item 5 – Fees and Compensation

Fee Schedule

Luxon charges clients either fee based upon a percentage of the market value of the assets being managed by Luxon or a flat fee for investment consulting services. The annual fee rate charged will vary depending upon the market value of the assets under management and the specific type service being provided.

The maximum fee that Luxon will charge a client is 0.25% of assets being managed.

Investment consulting services fees are negotiable, subject to volume discounts, and may be modified on a case-by-case basis. Fees are usually payable at the beginning of each quarter, commonly referred to in advance, and deducted directly from the client’s account.

Luxon uses the value of each account on the last day of the previous quarter to calculate the quarterly fee. The client’s Advisor may charge investment management fees that are different from other Advisors that use the services of Luxon. Variations in Advisor compensation may be due to the level of services the Advisor provides to the client. Such arrangement, and the terms and conditions thereof, are determined between the client and their Advisor.

Payment of Fees

Generally, Luxon is responsible for the calculation of its portion of the management or consulting fees it charges. For investment consulting services, Luxon bills the client directly for services rendered. The method of payment is typically a negotiated flat fee for services.

Other Costs of Investing

In addition to Luxon's investment consulting fee, each client's Advisor charges advisory or other related fees. These charges are separate from fees charged by Luxon. Clients should work directly with their advisory to discuss the fee amounts. Clients with assets held in mutual fund shares and exchange traded funds (ETFs) may be charged expenses that include mutual fund management fees and potentially other fund expenses. Clients may be charged by their account custodian for transactions in their account(s). These charges may come in the form of commissions, mark-ups, and redemption fees. Clients may also be charged fees and expenses for certain types of accounts, such as IRA and other qualified retirement plan fees.

Luxon does not receive any portion of the brokerage commission or transaction fees charged, or any of the fees assessed by the third-parties listed above.

Item 6 – Performance-based Fees

Luxon does not charge or accept performance-based fees. For example, Luxon does not share in capital gains or capital appreciation of assets held within a client's account(s).

Item 7 – Types of Clients

Luxon provides advisory services to individuals, pension or profit-sharing plans, trusts, estates or non-profit organizations, corporations or other business entities and governmental entities, educational institutions, as well as banks or thrift institutions.

Item 8 Methods of Analysis, Investment Strategies and Risk of Loss

The investment strategies utilized depends on your investment objectives and financial goals as provided to us. Most portfolios are constructed along basic investment objective categories such as:

- Conservative Growth;
- Conservative Growth and Income;
- Conservative Income;
- Moderate Growth;
- Moderate Growth and Income;
- Moderate Income;
- Long-Term Growth;
- Long-Term Growth and Income; and
- Long-Term Income.

Portfolios may include investments in companies of all sizes and in any sector, public and private, including investments in energy, natural resources, distressed securities, real estate, venture capital and buy-out, and other private equity, as well as any other business sectors or types of investments. In some cases, Luxon may invest in securities and financial instruments that may employ hedging or other non-traditional investing techniques, such as long and short equity investing, relative value and event driven arbitrage strategies, distressed securities investing, trading and short selling strategies, opportunistic investing in global equity and fixed income investing, and specialized equity investing.

Luxon chooses managers for their expertise in particular investment strategies. Luxon also seek to select managers that have demonstrated the ability to achieve risk adjusted rates of return greater than those available through traditional public equity investing and puts particular emphasis on managers who engage in extensive research and fundamental analysis. In selecting managers, Luxon may consider a number of factors, including:

- Strong consistent historical returns;
- Well-articulated and understandable investment strategies;
- Reasonable expenses;
- Tax efficiency;
- Transparency;
- Manageable downside risk; and
- A strong cohesive team that is aligned with investor interests.

Tax Loss Harvesting Strategy

For taxable accounts, Luxon offers tax-loss harvesting ("TLH") strategies. TLH is a technique designed to help lower your taxes while maintaining the expected risk and return profile of your portfolio. TLH harvests previously unrecognized investment losses to offset taxes due on your other gains and income by selling a security at a loss to accelerate the realization of capital loss and investing the proceeds in a security with closely correlated risk and return characteristics. The realized loss can be applied to lower your tax liability and the tax savings can be reinvested to grow the value of your portfolio. Luxon does not provide comprehensive tax advice.

Market Risk

All securities investments involve the risk of the loss of capital. The market value of a security may increase or decrease over time. These fluctuations can cause a security to be worth less than the price originally paid for it or less than it was worth at an earlier time. Market risk may affect a single issue, an entire industry, or the market as a whole.

Lack of Liquidity in Markets

Despite the heavy volume of trading in securities and futures, the markets for some securities and futures have limited liquidity and depth. This lack of depth could disadvantage an investor, both in the realization of the prices which are quoted and in the execution of orders at desired prices.

Item 9 Disciplinary Information

There are no legal or disciplinary events that are material to the Firm or its employees.

Item 10 Other Financial Industry Activities and Affiliations

Luxon is registered with the Securities and Exchange Commission as a federally registered investment adviser. The management personnel of Luxon are registered as investment adviser representatives within their state jurisdiction.

Luxon is not registered as a broker-dealer. The management personnel are registered representatives with Cary Street Partners LLC, the broker-dealer affiliate of Luxon.

Cary Street Partners LLC

Cary Street Partners LLC (“Cary Street Partners”) is registered as a broker-dealer and a member of the Financial Industry Regulatory Authority (“FINRA”). The management personnel are registered representatives with Cary Street Partners, the broker-dealer affiliate of Luxon. Cary Street Partners provides investment banking, wealth management and brokerage services to its clients. Client accounts of Cary Street Partners are custodied at Wells Fargo Clearing Services (“WFCS”). Cary Street Partners is a wholly owned subsidiary of Luxon Financial LLC.

Cary Street Partners Investment Advisory LLC

Cary Street Partners Investment Advisory LLC (“Cary Street Partners IA”) is registered with the Securities and Exchange Commission as a federally registered investment adviser and provides individualized non-discretionary and discretionary advisory services to various categories of institutional and individual clients that wish to participate in financial planning, separately managed accounts (“SMA”), mutual funds, closed end funds, exchange traded funds, annuities, fixed income, structured notes, equities or want to invest in, private equity funds or other alternative investment vehicles. Cary Street Partners IA is a wholly owned subsidiary of Luxon Financial LLC.

Riverstone Business Advisory Services, Inc.

RiverStone Business Advisory Services, Inc. (“RBAS”) provides certain Financial Advisors the opportunity to offer consulting, bookkeeping services and tax services. Only a limited number of FAs participate in this entity, however other FAs receive a referral fee for referring clients for consulting and tax services. You should inquire if your FA will be compensated if such a referral is made. RBAS is a wholly owned subsidiary of Luxon Financial LLC.

Luxon Insurance Services LLC

Luxon Insurance Services LLC (“Luxon Insurance”), a subsidiary. Through this entity, certain FAs provide business insurance services to clients and corporate entities. Luxon Insurance is a wholly owned subsidiary of Luxon Financial LLC.

Luxon, from time to time, enters into arrangements with other investment advisers whereby it agrees to provide certain services to clients of the investment adviser in exchange for a portion of the investment advisory fee paid to the investment advisers by the clients.

Luxon associates accept payment for reasonable travel and lodging expenses from money managers when performing due diligence reviews or educational meetings related to those money managers’ investment management activities. These payments are to compensate Luxon for travel related expenses incurred on these business trips. Any payments received in these situations are monitored and reviewed and are considered immaterial in relation to the firm’s income.

Item 11 Code of Ethics, Participation or Interest in Client Transactions, and Personal Trading

Personal trading by Luxon employees must be conducted in compliance with all applicable laws and procedures adopted by Luxon. Luxon places restrictions upon certain personnel in connection with the purchase or sale of securities recommended to you. It is Luxon’s internal policy that certain management personnel not recommend the purchase of a security that they have purchased for their own account or the account of a closely related party within an established number of days, unless such shares are sold prior to issuance of a buy recommendation. Some advisors are prohibited from purchasing securities that we have recommended for 24 hours following the official release of the recommendation except within the models which trade

concurrent with client accounts. All trades in accounts of the personnel in these departments and their immediate relatives are subject to supervisory review. Policies and procedures have been designed to prevent, among other things, any improper conduct wherever any potential conflict of interest exists with respect to any client.

Item 12 Brokerage Practice

How We Select Brokers/Custodians

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are, overall, competitive when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody);
- Capability to execute, clear, and settle trades (buy and sell securities for your account);
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds ("ETFs"), etc.);
- Availability of investment research and tools that assist us in making investment decisions;
- Quality of service;
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices;
- Reputation, financial strength and stability; and
- Prior service to us and our other clients.

When, and if, Luxon has discretion to determine the broker-dealer to be used in a securities transaction, the general policy is to select or recommend, as applicable, broker-dealers on the basis of the best combination of market price, responsiveness, financial responsibility and execution capability, under the requirements of all applicable law.

The Custodians also make available to Luxon, other products and services that benefit Luxon, but may not benefit clients. Some of these other products and services assist us in managing and administering Client accounts. These include software and other technology that provide access to Client account data (such as trade confirmation and account statements); facilitate trade execution; provide research, pricing information and other market data; facilitate payment of our fees from our clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of our accounts, including accounts not maintained at the broker/dealer. Custodians also make available other services intended to help Luxon manage and further develop our business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. Receipt of these services and benefits may create an incentive for us to recommend broker/dealers based on those services and benefits. Luxon does not receive referrals from any broker/dealer.

Item 13 Review of Accounts

Luxon generally will regularly monitor the investments in client accounts and perform at least quarterly reviews of account holdings for all clients. Client accounts are reviewed for consistency with the model portfolio's investment strategy and objectives, compliance with investment restrictions provided by the client (if

applicable), asset allocation, style drift, cash flows, investment selection, risk tolerance and performance relative to the appropriate benchmark. Luxon monitors on a continuous basis the securities it recommends for its model portfolios. Luxon's Investment Team is responsible for the monitoring of the securities which are used in its model portfolios.

Investment Consulting Services

When providing Investment Consulting Services, we will monitor the account as required per the investment advisory agreement executed between Luxon and the client. The client's accounts may be reviewed on a transaction, monthly, quarterly or annual basis, as applicable, to monitor the account's performance, the individual mutual funds for appropriateness, and certain restrictions that apply.

Reports

Clients will receive monthly statements from the custodian for each household account held by the custodian. If the client's account has no activity, the custodian, at a minimum, will provide a quarterly statement. The custodian's statement will include information about the assets held in the account, the current value of each asset, as well as reflect the deduction of any fees from the client's account. Clients are encouraged to review their statements with their primary advisor for discrepancies.

Item 14 Client Referrals and Other Compensation

Luxon or its affiliates may from time to time enter into solicitation agreements providing cash compensation to solicitors who secure clients for its investment advisory programs. Luxon also may from time to time enters into solicitation agreements under which it receives cash compensation for referring clients to other investment managers, including one or more of its affiliates. These agreements are fully disclosed to the client.

Additionally, Luxon or its affiliates, will from time to time enter joint marketing activities with investment managers and/or sponsors of mutual funds in the investment advisory programs it offers. These managers and/or sponsors pay a portion, or all, of the cost of the activities, which payment at times takes the form of reimbursement to Luxon.

Clients who have investment advisory accounts with Luxon may also have other accounts with the firm or its affiliates in which management fees are not charged. The payment of commissions in these non-managed accounts is negotiated on an entirely separate basis from the payment of fees and commissions under investment advisory agreements.

Item 15 Custody

Client accounts will be held with a qualified custodian who will maintain custody of the client accounts. Luxon will not maintain custody of clients' funds or securities, except for deducting the adviser fee from client(s)' accounts as authorized by the client in the executed advisory agreement. Luxon is not affiliated with any third-party custodian and is not responsible for the errors made by the custodian.

Item 16 Investment Discretion

Generally, Luxon provides Investment Consulting Services on a non-discretionary basis. Luxon will obtain pertinent information about you and use the information as a basis for our recommendations. Our recommendations may be implemented, at your sole discretion, with the professional consultants of your choosing (including your broker, accountant, attorney, etc.).

Furthermore, Luxon agrees to comply with the investment guidelines and/or limitations set forth in negotiated client agreements, including asset allocations and restrictions. Guidelines and/or limitations may vary from client to client based upon client objectives and other factors.

Item 17 Voting Client Securities

We do not vote Client proxies. Therefore, Clients maintain exclusive responsibility for: (1) voting proxies, and (2) acting on corporate actions pertaining to the Client's investment assets. The Client shall instruct the Client's qualified custodian to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets. If the client would like our opinion on a particular proxy vote, they may contact us at the number listed on the cover of this brochure.

Item 18 Financial Information

Luxon's financial condition is sufficient to meet its financial commitments to clients and the firm has not been the subject of any bankruptcy proceeding.

Luxon Asset Management LLC

Form ADV Part 2A Brochures

**Thomas O. Herrick
Theodore J. Brown
Mark A. Smith
Aaron J. Summers**

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Item 2 Educational Background and Business Experience

Year of Birth: 1959

Education: Bachelor of Arts in Economics, University of Richmond

Business Background for at least the Preceding Five Years:

Years	Position/Company
03/2017 - Present	Chief Investment Officer, Luxon Asset Management
09/2008 – 03/2017	Managing Director – Research and Operations, Cary Street Partners Investment Advisory LLC

Item 3 Disciplinary Information

There are no legal or disciplinary events to disclose.

Item 4 Other Business Activities

Luxon Asset Management LLC (“Luxon”) is registered with the Securities and Exchange Commission as a federally registered investment adviser. Thomas Herrick is registered as an investment adviser representative within his state jurisdiction. Luxon, Cary Street Partners Investment Advisory LLC and Cary Street Partners LLC are 100% owned by Luxon Financial LLC. Cary Street Partners LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”). Cary Street Partners LLC provides investment banking, wealth management, insurance and brokerage services to its clients. Client accounts of Cary Street Partners LLC are custodied at Wells Fargo Clearing Services, LLC.

Thomas Herrick is currently a registered representative with Cary Street Partners LLC.

Thomas Herrick is not engaged in any other approved businesses or occupations that involves a substantial amount of time or generates a substantial amount of income.

Item 5 Additional Compensation

Thomas Herrick does not receive additional compensation from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Luxon maintains a supervisory structure designed to detect and prevent violations of securities and investment advisory laws, rules and regulations. Luxon requires all supervisory personnel to meet appropriate qualifications criteria and exercise diligence while supervising our firms and associates’ activities.

Supervisor: Kevin Spence
Title: Chief Compliance Officer
Phone: 804-340-8100

Item 2 Educational Background and Business Experience

Year of Birth: 1971

Education: Master of Business Administration in International Business, University of Maryland
Master of Science in Finance, University of Maryland
Bachelor of Business Administration in Finance, James Madison University

Business Background for at least the Preceding Five Years:

Years	Position/Company
03/2017 – Present	Head of Research, Luxon Global Portfolios
06/2007 – 03/2017	

Item 3 Disciplinary Information

There are no legal or disciplinary events to disclose.

Item 4 Other Business Activities

Luxon Asset Management LLC (“Luxon”) is registered with the Securities and Exchange Commission as a federally registered investment adviser. Thomas Herrick is registered as an investment adviser representative within his state jurisdiction. Luxon, Cary Street Partners Investment Advisory LLC and Cary Street Partners LLC are 100% owned by Luxon Financial LLC. Cary Street Partners LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”). Cary Street Partners LLC provides investment banking, wealth management, insurance and brokerage services to its clients. Client accounts of Cary Street Partners LLC are custodied at Wells Fargo Clearing Services, LLC.

Theodore Brown is currently a registered representative with Cary Street Partners LLC.

Theodore Brown is not engaged in any other approved businesses or occupations that involves a substantial amount of time or generates a substantial amount of income.

Item 5 Additional Compensation

Theodore Brown does not receive additional compensation from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Luxon maintains a supervisory structure designed to detect and prevent violations of securities and investment advisory laws, rules and regulations. Luxon requires all supervisory personnel to meet appropriate qualifications criteria and exercise diligence while supervising our firms and associates’ activities.

Supervisor: Kevin Spence
Title: Chief Compliance Officer
Phone: 804-340-8100

Item 2 Educational Background and Business Experience

Year of Birth: 1985

Education: Bachelor of Science in Business Administration (Finance), University of Richmond

Business Background for at least the Preceding Five Years:

Years	Position/Company
03/2017-Present	Portfolio Manager, Luxon Asset Management
12/2013-03/2017	Analyst, Cary Street Partners

Professional Designations

CFA – Chartered Financial Analyst	The CFA program, administered by the CFA Institute, is a three-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements tested in three separate exams, and typically requires multiple years and prior qualifying experience to complete.
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Item 3 Disciplinary Information

There are no legal or disciplinary events to disclose.

Item 4 Other Business Activities

Luxon Asset Management LLC (“Luxon”) is registered with the Securities and Exchange Commission as a federally registered investment adviser. Thomas Herrick is registered as an investment adviser representative within his state jurisdiction. Luxon, Cary Street Partners Investment Advisory LLC and Cary Street Partners LLC are 100% owned by Luxon Financial LLC. Cary Street Partners LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”). Cary Street Partners LLC provides investment banking, wealth management, insurance and brokerage services to its clients. Client accounts of Cary Street Partners LLC are custodied at Wells Fargo Clearing Services, LLC.

Mark Smith is not engaged in any other approved businesses or occupations that involves a substantial amount of time or generates a substantial amount of income.

Item 5 Additional Compensation

Mark Smith does not receive additional compensation from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Luxon maintains a supervisory structure designed to detect and prevent violations of securities and investment advisory laws, rules and regulations. Luxon requires all supervisory personnel to meet appropriate qualifications criteria and exercise diligence while supervising our firms and associates’ activities.

Supervisor: Kevin Spence
Title: Chief Compliance Officer
Phone: 804-340-8100

Item 2 Educational Background and Business Experience

Year of Birth: 1983

Education: Bachelor of Science in Business Administration, Radford University

Business Background for at least the Preceding Five Years:

Years	Position/Company
03/2017-Present	Trading Specialist, Luxon Asset Management
10/2012-03/2017	Financial Advisor, Cary Street Partners LLC
10/2011-10/2012	Staff Accountant & Insurance Advisor, Hodges, Jones & Mabry PC

Item 3 Disciplinary Information

There are no legal or disciplinary events to disclose.

Item 4 Other Business Activities

Luxon Asset Management LLC ("Luxon") is registered with the Securities and Exchange Commission as a federally registered investment adviser. Thomas Herrick is registered as an investment adviser representative within his state jurisdiction. Luxon, Cary Street Partners Investment Advisory LLC and Cary Street Partners LLC are 100% owned by Luxon Financial LLC. Cary Street Partners LLC is a registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA"). Cary Street Partners LLC provides investment banking, wealth management, insurance and brokerage services to its clients. Client accounts of Cary Street Partners LLC are custodied at Wells Fargo Clearing Services, LLC.

Aaron Summers is currently a registered representative with Cary Street Partners LLC.

Aaron Summers is not engaged in any other approved businesses or occupations that involves a substantial amount of time or generates a substantial amount of income.

Item 5 Additional Compensation

Aaron Summers does not receive additional compensation from a non-advisory client for the provision of advisory services.

Item 6 Supervision

Luxon maintains a supervisory structure designed to detect and prevent violations of securities and investment advisory laws, rules and regulations. Luxon requires all supervisory personnel to meet appropriate qualifications criteria and exercise diligence while supervising our firms and associates' activities.

Supervisor: Kevin Spence
Title: Chief Compliance Officer
Phone: 804-340-8100