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# STONY POINT

## WEALTH MANAGEMENT

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CRD# 210519/SEC# 801-108723

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Chief Compliance Officer  
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### **FORM ADV PART 2A DISCLOSURE BROCHURE**

**March 25, 2020**

This brochure provides information about the qualifications and business practices of Stony Point Wealth Management Inc. ("Stony Point" or the "Firm"). If you have any questions about the contents of this brochure, please contact us at (804) 332-6574 or via email at [elizabeth@stonypointwealth.com](mailto:elizabeth@stonypointwealth.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Our registration does not imply a certain level of skill or training. Additional information about Stony Point (CRD# 210519) is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications of an adviser provide information about which a prospective client might determine to hire or retain an adviser.

## **Item 2: Statement of Material Changes**

This Brochure, dated March 25, 2020, has no material changes to report. This Brochure was last updated on March 26, 2019. In the future, we will ensure that clients of the Firm will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the Firm' fiscal year.

**DISCLOSURES:** Stony Point may, at any time, update this Disclosure Brochure. A copy of the Disclosure Brochure or an offer to send a copy of this Disclosure Brochure (either by electronic means (e-mail) or in hard copy form) may be sent if a material change occurs in the future. A person may view the current Disclosure Brochures online at the SEC's Investment Adviser Public Disclosure website: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). Select the option for a "Firm" search and enter 210519 (Stony Point's CRD number) in the field labeled "Firm Name or CRD/SEC#". This will provide access to Form ADV Part 1, Part 2a and the Wrap Fee Program Brochure.

A person may request a copy of this Disclosure Brochure at any time by contacting the Chief Compliance Officer via email at [elizabeth@stonypointwealth.com](mailto:elizabeth@stonypointwealth.com) or via telephone at (804) 332-6574. There is no charge for this service.

### **Item 3: Table of Contents**

|          |                                                                                             |    |
|----------|---------------------------------------------------------------------------------------------|----|
| Item 1:  | Cover Sheet .....                                                                           | 1  |
| Item 2:  | Statement of Material Changes.....                                                          | 2  |
| Item 3:  | Table of Contents .....                                                                     | 3  |
| Item 4:  | Advisory Business .....                                                                     | 4  |
| Item 5:  | Fees and Compensation.....                                                                  | 6  |
| Item 6:  | Performance-Based Fees .....                                                                | 9  |
| Item 7:  | Types of Clients.....                                                                       | 9  |
| Item 8:  | Methods of Analysis, Investment Strategies and Risk of Loss .....                           | 9  |
| Item 9:  | Disciplinary Information .....                                                              | 13 |
| Item 10: | Other Financial Industry Activities and Affiliations .....                                  | 14 |
| Item 11: | Code of Ethics, Participation or Interest in Client Transactions and Personal Trading ..... | 14 |
| Item 12: | Brokerage Practices .....                                                                   | 14 |
| Item 13: | Review of Accounts .....                                                                    | 16 |
| Item 14: | Client Referrals and Other Compensation.....                                                | 16 |
| Item 15: | Custody.....                                                                                | 17 |
| Item 16: | Investment Discretion.....                                                                  | 17 |
| Item 17: | Voting Client Securities .....                                                              | 17 |
| Item 18: | Financial Information .....                                                                 | 17 |
|          | PRIVACY NOTICE.....                                                                         | 18 |

#### **Item 4:        Advisory Business**

Stony Point Wealth Management Inc. (“Stony Point” or the “Firm”) has been in business since May of 2015. Matthew Daniel, Elizabeth King and Stuart Daniel are the Firm’s principal owners. Together, the owners have been in the financial services industry for over 50 years. Since March 2018, Elizabeth King has served as Chief Compliance Officer.

Stony Point provides personalized asset management, portfolio monitoring and financial planning services. All available services may be offered together or on an individualized basis at the client’s discretion. The Firm provides investment advice to individuals, families, trusts, charitable organizations and foundations, pensions and corporations. We believe that working with multiple generations of the same family can enhance the depth to which we understand a client and their financial situation. As such, we encourage multi-generational families to align their goals but the potential for conflicts of interest exist with the exchange of intergenerational information. Stony Point attempts to minimize these conflicts by treating each household as its own fiduciary relationship. Information can only be shared across generations with each household’s consent. Stony Point strives to provide clients with a high level of individual attention by getting to know the client and tailoring the services to their needs.

Wealth should continue to build steadily over time, and Stony Point’s view is that steady growth over a period of years will be more beneficial to clients than shooting for unattainable returns year after year. We look at a client’s entire financial picture, ask targeted questions and listen closely to your answers. Our goal is for you to experience financial confidence now and in retirement.

#### Asset Management Services

Asset Management Services may be provided on a “discretionary” or on a “non- discretionary” basis. When Stony Point is engaged to provide these services on a discretionary basis, we will recommend personalized asset allocation services as well as provide continuous monitoring of your accounts. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Advisory Agreement that outlines the responsibilities of both the client and Stony Point.

When a client engages us to provide Asset Management Services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. However, Stony Point cannot execute the recommended trades without confirming your consent (either verbally or in writing) to the proposed changes.

When you engage Stony Point for Asset Management Services, we will ask you to provide us with investment guidelines, so that we can determine the recommended asset allocation that meets your goals and needs. Client guidelines may include your risk tolerance, limits on a particular asset or asset class, or other investment restrictions. Stony Point can assist you in developing these guidelines. Any client guidelines or changes to those guidelines must be submitted in writing to Stony Point.

Clients may also engage Stony Point to manage certain investment products that are not maintained with the Firm’s primary custodian, such as variable and fixed annuity contracts, assets held in employer sponsored retirement plans and qualified tuition plans (e.g., 529 plans). In these situations, the “held-away” assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider. When managing your assets, Stony Point can be engaged to advise on the appropriate asset selection and/or allocation for held-away assets. We will then direct the provider or recommend to you any appropriate allocation among the various investment options that are available within the product.

### Financial Planning

Stony Point provides financial planning services to its clientele. Financial planning is an evaluation of a client's current and future financial situation by using currently known variables to predict future cash flows, asset values and withdrawal plans. Financial planning services are offered to all clients but a client is not required to utilize the service and may decline these services. Clients engaging us to prepare a financial plan only will be required to execute a Financial Planning Agreement that outlines the responsibilities of both the client and Stony Point.

The financial plan created by Stony Point is based on our judgment and experience in evaluating the information provided to us by the Client. Client will retain the responsibility to arrange for implementation of the financial plan if Client desires. The services covered in the Financial Planning Agreement do not include specific investment recommendations, investment implementation, investment management or monitoring of Client accounts.

When engaged to prepare a financial plan, in most cases, the client will supply to Stony Point information including income, investments, savings, insurance, age and many other items that are helpful to the Firm in assessing your financial goals. The information is typically provided during personal interviews and supplemented with written information. Once the information is received, we will discuss your financial needs and goals with you, and compare your current financial situation with the goals you state, your time horizon and your comfort level surrounding volatility. Once these are compared, we will create a financial and/or investment plan to help you meet your goals. Once a financial plan is completed, a client may choose to engage Stony Point to manage their assets or they may choose to engage another provider.

We cannot stress enough the importance that you accurately and completely communicate to us the information we need. Our goal is to provide clients with the most personalized and complete financial plan as possible, as Stony Point intends for clients to use it as a blueprint of how to meet their goals. To ensure that your plan remains accurate and up-to-date, it is very important that you continually update us with any changes to your financial situation, goals or time horizon.

All clients are offered the opportunity to engage Stony Point for financial planning services. When a client engages Stony Point to perform asset management and financial planning services, these services will require separate agreements.

### Stony Point Wrap Fee Program

Stony Point serves as a program sponsor and portfolio manager for its own wrap fee program, the *Stony Point Wrap Fee Program* (the "Program"). Stony Point clients are primarily managed through the Program. When a client participates in the Program, they will pay a single fee which include asset management and portfolio monitoring, the custodial and administrative costs incurred within their account(s) as well as Stony Point's advisory fee. The minimum household size for participation in the Program is \$150,000. Financial planning and financial plan management services may be provided as well but is done under a separate financial planning agreement.

An appropriate wrap fee program brochure has been created and will be presented to the client by Stony Point prior to the client investing in the Program. The Firm's "Wrap Fee Program Brochure" is available upon request at any time by calling the Chief Compliance Officer at (804) 332-6574.

Fees in the wrap program include transaction costs for the purchase or sale of securities, but do not include expenses related to the use of margin, wire transfer fees, the fees charged to shareholders of mutual funds or ETFs, mark-ups and mark-downs, spreads, odd-lot differentials, fees charged by regulatory agencies, and any transaction fees for securities trades executed by a broker-dealer other than the agreed upon custodian.

Because of the nature of a wrap fee program, where wrap fees are not tied to an account's frequency of trading and apply to generally all assets in the account, the wrap fee program client may pay more or less than if the client had compensated Stony Point outside of the wrap fee program. For example, if a client's account is rarely traded, the transaction fees the client would have paid would be minimal, thus limiting the benefits of "wrapping" management fees and transaction fees. Clients whose accounts will be rarely traded should carefully consider whether the Wrap Program is appropriate.

#### Retirement Plan Consulting Services

Stony Point serves as an "Investment Adviser" and a "fiduciary" within the meaning of Section 3(21) of Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, with respect to accounts in the Plan. (Although 3(21) fiduciaries provide advice, they do not take control of plan assets, so the Plan Sponsor retains the final say regarding implementation of the recommended investment options.)

The fiduciaries of self-directed retirement plans (which can include 401(k) plans) are required to, among other things, determine a selection of investments from which the plan's participants choose for their personal allocation in their individual participant account. Stony Point provides plan sponsors assistance in meeting this obligation through a consultative relationship, which includes the recommendation of the plan investment options in accordance with the plan's objectives, as well as the ongoing monitoring of those options to assist the plan sponsor in determining when changes to these options are needed. This advice is rendered on a non-discretionary basis, meaning the plan sponsor is free to accept or reject Stony Point's recommendations.

Additional services which Stony Point can provide, if requested by the plan sponsor, include participant registration, participant education, fee benchmarking as well as assisting with the annual review and due diligence of the plan's service providers. The Retirement Plan Consulting Services Agreement will specifically layout the services to be provided by Stony Point to the plan sponsor and the plan.

#### Assets Under Management

As of December 31, 2019, Stony Point has \$255,195,202 in assets under management. Approximately \$246,589,301 is managed on a discretionary basis and \$8,605,901 is managed on a non-discretionary basis.

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## Item 5: Fees and Compensation

It is Stony Point's goal to provide investment management and ongoing portfolio monitoring to all clients as well as comprehensive financial planning to those clients who participate in the financial planning process. All clients will be required to execute an Investment Advisory Agreement that will describe the type of services to be provided and the associated fees.

### Asset-Based Fees

Asset-based advisory fees are paid monthly, in arrears, based upon the average daily balance of a client's managed assets for the prior month and in accordance with the fee schedule listed in the Investment Advisory Agreement between Stony Point and the client. Stony Point's advisory fee schedule for asset management services will typically be as follows:

| Household AUM              | Annual Fee |
|----------------------------|------------|
| Up to \$300,000            | 1.25%      |
| \$300,001 to \$500,000     | 1.10%      |
| \$500,001 to \$1,000,000   | 1.00%      |
| \$1,000,001 to \$1,500,000 | 0.90%      |
| \$1,500,001 to \$2,000,000 | 0.80%      |
| \$2,000,001 and greater    | 0.70%      |

The fee schedule reflected here is a guide. Fees are negotiable based on the nature of the account. Factors affecting client's fee schedule may include the size of the account, complexity of asset structures, and other factors. All clients, but especially those with smaller accounts, should be advised they may receive similar services from other professionals for higher or lower overall costs. When a client engages Stony Point to manage held-away assets, a reduced advisory fee may be charged. This will be documented in the client's Investment Advisory Agreement.

### Financial Planning

A financial plan is designed to help the client with all aspects of financial planning with or without on-going investment management after the financial plan is completed. Fees for financial planning services may be offered on an hourly or fixed fee basis.

**Hourly:** For clients needing advice with a limited scope, financial planning services can be done on an hourly basis. Hourly rates range from \$150 – \$350 for all investment professionals at Stony Point. The hourly rate is dependent upon a number of factors, most importantly the complexity of the assignment and the skill level of the investment professional engaged. An estimate of total hours to complete the assignment will be determined at the start of the engagement. A deposit of fifty percent (50%) of the estimate will be payable upon signing the Financial Planning Agreement. The final amount due will be based upon actual hours expended.

**Fixed Fee:** For clients requiring a complete financial plan, services will be provided on a fixed fee basis. Fixed fees will typically range from \$2,500 to \$20,000, depending upon the nature and complexity of the assignment. For example, a client with complex estate planning issues, multiple sources of investment income, and special needs heirs will have a more complex plan (and therefore a higher fixed fee) than a client with no estate planning issues, a single heir and a single source of income. Fees are negotiable based on the nature of the assignment. A deposit of fifty percent (50%) of the estimate will be payable upon signing the Financial Planning Agreement. The final amount due will be fifty percent (50%) of the fixed fee upon delivery of the financial plan.

### Fee Terms

The following terms apply to client accounts with asset based fees. All advisory fees and household minimums are subject to negotiation. Stony Point may offer discounted rates to its employees and their families as well as to institutional and ultra, high-net-worth clients with substantial account balances. Financial planning services offered to clients with a household balance in excess of \$1,000,000 will be performed for no charge.

For clients whose assets are managed by the Firm, investment advisory fees will be debited directly from each client's account. The advisory fee is paid monthly in arrears, or in the case of held-away assets, quarterly in arrears. The value used for the fee calculation is the daily average balance of the portfolio for the previous month. The daily average balance is the sum of each day's balance divided by the number of days during that month. This means that if your annual fee is 1.00%, we will take the previous month's daily average balance, multiply the value by 1.00%, and then divide by 12 to calculate our fee. The values used for fee calculations will be based off the valuations provided by the qualified custodian which holds your assets. To the extent there is cash in your account, it will be included in the value for the purpose of calculating fees only if the cash is part of an investment strategy. Once the calculation is made, we will instruct your account custodian to deduct the fee from your account and remit it to Stony Point. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request. Payment is due within 15 days of receipt of the invoice.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Stony Point generates an itemized fee invoice which is then uploaded to the client portal for ease of access. It is a Client's responsibility to review this calculation as well as compare the withdrawal amount the custodial statement. The fee invoice itemizes the fees to be debited, including the formula used to calculate the fee, the amount of assets upon which the fee is based, and the time period covered by the fee. The invoice will also state that the fee has not been independently calculated by the custodian.

If you become a client during a billing period, you will pay a management fee for the number of days left in that billing period. If you terminate our relationship during a billing period, you will be responsible for the payment of management fees for the portion of the billing period during which you were a client. Once your notice of termination is received, we will assess pro-rated fees for the number of days between the end of the prior billing period and the date of termination to be paid in whatever way you direct (check, wire). Stony Point will cease to perform services, including processing trades and distributions, upon termination. Client accounts will be "de-linked" upon receipt of the termination notice - meaning the accounts will no longer be visible to Stony Point and will become a retail account with the custodian.

### Retirement Plan Consulting Fees

The service fee for retirement plan consulting will not exceed 1.00% per annum of the market value of the plan's assets under the direction of Stony Point. The calculation of and the payment timing on fees will be determined by the plan's recordkeeper/custodian. These are the only fees, either direct or indirect, that Stony Point receives from the plan. Fees are negotiable at the sole discretion of Stony Point.

For plans whose assets are under the direction of Stony Point, fees will be debited directly from the plan. The fee will typically be paid quarterly, in advance, and the value used for the fee calculation is the market value of the plan's assets on the last day of the previous billing quarter. Once the calculation is made, we will instruct the custodian to deduct the fee from your account and remit it to Stony Point. While almost all of our clients choose to have their fee debited from their account, we will invoice clients upon request.

Retirement Plan Consulting fees are billed quarterly in advance and are usually debited by the recordkeeper from a client's custodial account and remitted by the custodian to Stony Point. The fee will be applied to the client's closing account balances as of the last day of each calendar quarter.



Upon termination of any account, any prepaid, unearned fees will be refunded, and any earned, unpaid fees will be due and payable. If Client terminates an agreement within five (5) business days of its signing, Client shall receive a full refund of all fees and expenses. If an agreement is terminated after five (5) business days of its signing, upon Client's request, any prepaid fees will be prorated and the unused portion be returned to Client.

#### Other Fees

Mutual funds, exchanged traded funds and annuities all charge internal management fees and other expenses, which are disclosed in a fund's or annuity's prospectus or equivalent disclosure document and are directly deducted from the value of such investment vehicles. Stony Point does not retain 12b-1 fees or other sales charges and commissions on the accounts of advisory clients.

Clients are advised that they may pay fees that are higher or lower than fees they may pay another advisor for the same services, and may in fact pay lower fees for comparable services from other sources. Clients are under no obligation at any time to engage or to continue to engage, Stony Point for investment services.

#### **Item 6: Performance-Based Fees**

Stony Point will not charge performance based fees.

#### **Item 7: Types of Clients**

Clients advised may include individuals, families, trusts, charitable organizations and foundations, pensions and corporations. There is no household minimums for us to provide advise on a clients account. However, there is a minimum household balance of \$150,000 which is required to participate in the wrap fee program. This minimum may be waived in the discretion of Stony Point.

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

It is important for you to know and remember that all investments carry risks. Investing in securities involves risk of loss that clients should be prepared to bear.

##### Methods of Analysis

Stony Point may use any of the following methods of analysis in formulating their investment advice and/or managing client assets:

Fundamental Analysis. We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell). Fundamental analysis does not attempt to anticipate market movements. Doing so presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

Asset Allocation. Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income and cash suitable to the client's investment goals and risk tolerance. A risk of asset allocation is that the client may not participate in sharp increases in a particular security, industry or market sector.

Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

Mutual Fund and/or ETF Analysis. We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy. A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

### Investment Strategy

Our approach to asset management has multiple aspects. We primarily invest in stocks and exchange-traded funds ("ETFs"), as we believe that fewer and fewer fund managers are really adding value for the fees, as evidenced by their failure to beat their benchmarks. When this is the case, an investor adds risk related to that manager's judgement, without adding return versus an ETF or stock. Stocks and ETFs provide clients with a lower cost option, while mutual funds have to overcome higher expenses to give investors acceptable returns. If we feel that a mutual fund is the correct fit for a client, there are many factors that are involved in picking the correct manager, but Stony Point focuses on the tenure and even more importantly the track record of the manager.

The specific securities we recommend for your account will depend on market conditions and our research at the time. Generally, we recommend a mix of stocks, ETFs, and mutual funds. When used, specific funds are chosen based on where its investment objective fits into the asset allocation recommended by Stony Point, its risk parameters, past performance, peer rankings, fees, expenses, and any other aspects of the fund Stony Point deems relevant to that particular fund. We base our conclusions on predominantly publicly available research, such as regulatory filings, press releases, competitor analyses, and in some cases research we receive from our custodian or other market analyses. We will also utilize technical analyses, which means that we will review the past behaviors of the security and the markets in which it trades for signals as to what might happen in the future.

Each client's portfolio will be invested according to that client's investment objectives. We determine these objectives by interviewing the client and/or asking the client to put these objectives in writing. Once we ascertain your objectives for each account, we will develop a set of asset allocation guidelines. An asset allocation strategy is a percentage-based allocation to different investment types. For example, a client may have an asset allocation strategy that calls for 40-60% of the portfolio to be invested in equity securities, with 20% of that allocated to international equities and the remaining balance in fixed income. Another client may have an asset allocation of 50-60% in fixed income securities and the remainder equities. The percentages in each type that we recommend are based on the typical behavior of that security type, individual securities we follow, current market conditions, your current financial situation, your financial goals, and the timeline to get you to those goals. Because we develop an investment strategy based on your personal situation and financial goals, your asset allocation guidelines may be similar to or different from another client's. Once we agree on allocation guidelines, risk tolerance, time horizon,

and how to achieve these results, we will develop an asset allocation recommendation to guide all parties involved in the execution of these goals, including but not limited to, Stony Point, the client, the custodian, and the investment managers.

We will periodically recommend securities transactions in your portfolio to meet the guidelines of the asset allocation strategy. It is important to remember that because market conditions can vary greatly, your asset allocation guidelines are not necessarily strict rules. Rather, we review accounts individually, and may deviate from the guidelines as we believe necessary.

Most clients will place their assets with Schwab Advisor Services, our recommended custodian. However, some clients will place their assets with a custodian or broker dealer of their choosing. This will not affect the investment decision making process for the client's account. However, the process for executing trades in an account may differ for assets held with our recommended custodian.

### Risk of Loss

There are always risks to investing. Clients should be aware that all investments carry various types of risk including the potential loss of principal that clients should be prepared to bear. Among the risks are the following:

- **Political Risks.** Most investments have a global component, even domestic stocks. Political events anywhere in the world may have unforeseen consequences to markets around the world.
- **General Market Risks.** Markets can, as a whole, go up or down on various news releases or for no understandable reason at all. This sometimes means that the price of specific securities could go up or down without real reason, and may take some time to recover any lost value. Adding additional securities does not help to minimize this risk since all securities may be affected by market fluctuations.
- **Currency Risk.** When investing in another country using another currency, the changes in the value of the currency can change the value of your security value in your portfolio.
- **Regulatory Risk.** Changes in laws and regulations from any government can change the value of a given company and its accompanying securities. Certain industries are more susceptible to government regulation. Changes in zoning, tax structure or laws impact the return on these investments.
- **Tax Risks Related to Short Term Trading:** Clients should note that Stony Point may engage in short-term trading transactions. These transactions may result in short term gains or losses for federal and state tax purposes, which may be taxed at a higher rate than long term strategies. Stony Point endeavors to invest client assets in a tax efficient manner, but all clients are advised to consult with their tax professionals regarding the transactions in client accounts.
- **Purchasing Power Risk.** Purchasing power risk is the risk that your investment's value will decline as the price of goods rises (inflation). The investment's value itself does not decline, but its relative value does, which is the same thing. Inflation can happen for a variety of complex reasons, including a growing economy and a rising money supply.
- **Business Risk.** This can be thought of as certainty or uncertainty of income. Management comes under business risk. Cyclical companies (like automobile companies) have more business risk because of the less steady income stream. On the other hand, fast food chains tend to have steadier income streams and therefore, less business risk.

- Financial Risk. The amount of debt or leverage determines the financial risk of a company.
- Default Risk. This risk pertains to the ability of a company to service their debt. Ratings provided by several rating services help to identify those companies with more risk. Obligations of the U.S. government are said to be free of default risk.
- Margin Risk. “Margin” is a tool used to maximize returns on a given investment by using securities in a client account as collateral for a loan from the custodian to the client. The proceeds of that loan are then used to buy more securities. In a positive result, the additional securities provide additional return on the same initial investment. In a negative result, the additional securities provide additional losses. Margin therefore carries a higher degree of risk than investing without margin. Any client account that will use margin will do so in accordance with Regulation T. Stony Point may utilize margin on a limited basis for clients with higher risk tolerances.
- Risks specific to private placements, sub-advisors and other managers. If we invest some of your assets with another advisor, including a private placement, there are additional risks. These include risks that the other manager is not as qualified as we believe them to be, that the investments they use are not as liquid as we would normally use in your portfolio, or that their risk management guidelines are more liberal than we would normally employ.
- Information Risk. All investment professionals rely on research in order to make conclusions about investment options. This research is always a mix of both internal (proprietary) and external (provided by third parties) data and analyses. Even an adviser who says they rely solely on proprietary research must still collect data from third parties. This data, or outside research is chosen for its perceived reliability, but there is no guarantee that the data or research will be completely accurate. Failure in data accuracy or research will translate to a compromised ability by the adviser to reach satisfactory investment conclusions.
- Small Companies. Some investment opportunities in the marketplace involve smaller issuers. These companies may be starting up, or are historically small. While these companies sometimes have potential for outsized returns, they also have the potential for losses because the reasons the company is small are also risks to the company’s future. For example, a company’s management may lack experience, or the company’s capital for growth may be restricted. These small companies also tend to trade less frequently than larger companies, which can add to the risks associated with their securities because the ability to sell them at an appropriate price may be limited compared to the markets as a whole. Not only do these companies have investment risk, if a client is invested in such small companies and requests immediate or short-term liquidity, these securities may require a significant discount to value in order to be sold in a shorter time frame.
- Concentration Risk. While Stony Point selects individual securities, including mutual funds, or client portfolios based on an individualized assessment of each security, this evaluation comes without an overlay of general economic or sector specific issue analysis. This means that a client’s equity portfolio may be concentrated in a specific sector, geography, or sub-sector (among other types of potential concentrations), so that if an unexpected event occurs that affects that specific sector or geography, for example, the client’s equity portfolio may be affected negatively, including significant losses.
- Transition risk. As assets are transitioned from a client’s prior advisers to Stony Point there may be securities and other investments that do not fit within the asset allocation strategy selected for the client. Accordingly, these investments will need to be sold in order to reposition the portfolio into the asset allocation strategy selected by Stony Point. However, this transition process may take some time to accomplish. Some investments may not be unwound for a lengthy period of time for a variety of reasons that may include unwarranted low share prices, restrictions on trading, contractual restrictions on liquidity, or market-related liquidity concerns. In some cases, there may be securities or investments that are never able to be sold. The inability to transition a

client's holdings into recommendations of Stony Point may adversely affect the client's account values, as Stony Point's recommendations may not be able to be fully implemented.

- **Restriction Risk.** Clients may at all times place reasonable restrictions on the management of their accounts. However, placing these restrictions may make managing the accounts more difficult, thus lowering the potential for returns.
- **Risks Related to Investment Term & Liquidity.** Securities do not follow a straight line up in value. All securities will have periods of time when the current price of the security is not an accurate measure of its value. If you require us to liquidate your portfolio during one of these periods, you will not realize as much value as you would have had the investment had the opportunity to regain its value. Further, some investments are made with the intention of the investment appreciating over an extended period of time. Liquidating these investments prior to their intended time horizon may result in losses.
- **REITs:** Stony Point may recommend that portions of client portfolios be allocated to real estate investment trusts, otherwise known as "REITs". A REIT is an entity, typically a trust or corporation, that accepts investments from a number of investors, pools the money, and then uses that money to invest in real estate through either actual property purchases or mortgage loans. While there are some benefits to owning REITs, which include potential tax benefits, income and the relatively low barrier to invest in real estate as compared to directly investing in real estate, REITs also have some increased risks as compared to more traditional investments such as stocks, bonds, and mutual funds. First, real estate investing can be highly volatile. Second, the specific REIT chosen may have a focus such as commercial real estate or real estate in a given location. Such investment focus can be beneficial if the properties are successful, but lose significant principal if the properties are not successful. REITs may also employ significant leverage for the purpose of purchasing more investments with fewer investment dollars, which can enhance returns but also enhances the risk of loss. The success of a REIT is highly dependent upon the manager of the REIT. Clients should ensure they understand the role of the REIT in their portfolio.
- **MLPs:** Stony Point may recommend that portions of client portfolios be allocated to master limited partnerships, otherwise known as "MLPs". An MLP is a publicly traded entity that is designed to provide tax benefits for the investor. In order to preserve these benefits, the MLP must derive most, if not all, of its income from real estate, natural resources and commodities. While MLPs may add diversification and tax favored treatment to a client's portfolio, they also carry significant risks beyond more traditional investments such as stocks, bonds and mutual funds. One such risk is management risk-the success of the MLP is dependent upon the manager's experience and judgment in selecting investments for the MLP. Another risk is the governance structure, which means the rules under which the entity is run. The investors are the limited partners of the MLP, with an affiliate of the manager typically the general partner. This means the manager has all of the control in running the entity, as opposed to an equity investment where shareholders vote on such matters as board composition. There is also a significant amount of risk with the underlying real estate, resources or commodities investments. Clients should ask Stony Point any questions regarding the role of MLPs in their portfolio.

## **Item 9:       Disciplinary Information**

There are no disciplinary items to report.

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

Neither the principals of Stony Point, nor any related persons are registered, or have an application pending to register, as a broker dealer or as an associated person of the foregoing entities. Neither the principal of Stony Point, nor any related persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Stony Point has no affiliations. We maintain professional business relationships with various legal, accounting, recordkeeping, third-party administrators (TPAs) and other investment advisory and consulting firms both locally and around the country. These informal relationships are created to share industry information and insight. Stony Point does not receive any compensation or shared revenue with any of these entities; therefore, these relationships hold no conflict of interest for our clients. Stony Point does not legal, tax or accounting services. Any future disputes between clients and the recommended providers are the sole responsibility of the client and the provider. Stony Point does not utilize nor select other advisers or third-party money managers.

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

The employees of Stony Point have committed to a Code of Ethics that establishes a high standard of integrity and professional ethics when conducting business with the Firm, its clients and its business vendors and partners. All employees are required to review and sign a formal Code of Ethics adopted to comply with Rule 204(A)-1.

The Code of Ethics provides for 1) a high ethical standard of conduct; 2) compliance with all state securities laws; and 3) policies and procedures for the reporting of personal securities transactions on a quarterly basis as well as upon hire, and annually for all employees. The Chief Compliance Officer reviews on a regular basis employee personal trading accounts. The Chief Compliance Officer's trades are reviewed by the Chief Executive Officer or his designee. These reviews help ensure that the personal trading of employees complies with the Code of Ethics.

Stony Point does not recommend to clients that they invest in any security in which Stony Point or any principal thereof has any financial interest. An employee of Stony Point may purchase for his or her own account securities which are also recommended for clients. Our Code of Ethics details rules for employees regarding personal trading and avoiding conflicts of interest related to trading in one's own account. To avoid placing a trade before a client (in the case of a purchase) or after a client (in the case of a sale), all employee trades are reviewed by the Chief Compliance Officer. All employee trades must either take place in the same block as a client trade or sufficiently apart in time from the client trade so the employee receives no added benefit. Employee statements are reviewed to confirm compliance with the trading procedures.

## **Item 12: Brokerage Practices**

Stony Point does not maintain custody of client assets, though Stony Point may be deemed to have custody if a client grants Stony Point authority to debit fees directly from their account (see Item 15 below). Assets will be held with a qualified custodian, which is typically a bank or broker-dealer. Stony Point recommends that investment accounts be held in custody by Schwab Advisor Services, a division of Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, member SIPC, who is a qualified custodian. Stony Point is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when Stony Point instructs them to, which Stony Point does in accordance with its agreement with you. While Stony Point recommends that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. Stony Point does not open the account for you, although Stony Point may assist you in doing so.

Custodian Selection. We seek to recommend a custodian/broker that will hold your assets and execute transactions on terms that are, overall, most advantageous when compared with other available providers and their services. We consider a wide range of factors, including both quantitative (Ex: costs) and qualitative (execution, reputation, service) factors. We do not consider whether Schwab or any other broker- dealer/custodian, refers clients to Stony Point as part of our evaluation of these broker-dealers.

Custody Costs. For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. We have determined that having Schwab execute most trades is consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "Custodian Selection").

Research and Other Soft Dollar Benefits. Schwab provides Stony Point and our clients with access to its institutional brokerage services (trading, custody, reporting, and related services), many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help Stony Point manage or administer our clients' accounts, while others help Stony Point manage and grow our business. Schwab's support services are generally available on an unsolicited basis (we don't have to request them) and at no charge to Stony Point.

Services That Benefit You. Schwab's services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

Services That May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

Services That Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services directly to us. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

Our Interest in Schwab's Services. The availability of the services described above from Schwab benefits us because we do not have to produce or purchase them. These services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. The services provided may give us an incentive to require that you maintain your account with Schwab based on our interest in receiving Schwab's services and Schwab's payment for third party services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services and not Schwab's services and Schwab's payment for third party services that benefit only us. We do not consider whether Schwab or any other broker-dealer/custodian, refers clients to Stony Point as part of our evaluation of these broker-dealers.

Directed Brokerage. Stony Point does not require that clients direct Stony Point to execute trades through a particular broker-dealer (directed brokerage arrangements). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer. This means that the client, and not Stony Point, will be in the best position to seek and secure the best value for the costs of execution. This means that the client may not pay the most cost-effective commission rates. Stony Point will not be able to aggregate orders under these circumstances, which may result in higher commission costs or transaction fees because the trading costs are not allocated among a group. Clients also may not benefit from commission rates Stony Point may be able to negotiate. Further, there may be some transactions in certain securities that must be placed first through Stony Point's recommended custodian. In some circumstances, placing those trades first may mean that a client who directs brokerage may not only pay a higher commission cost, they may also pay a higher price for a given security. In general, clients may not receive value for the commission dollar spent, may spend more than is necessary for execution services, and may have reduced gains in their accounts as a result of directing brokerage.

Aggregating Trades. Commission costs per client may be lower on a particular trade if all clients in whose accounts the trade is to be made are executed at the same time. This is called aggregating trades. Instead of placing a number of trades for the same security for each account, we will, when appropriate, execute one trade for all accounts and then allocate the trades to each account after execution. If an aggregate trade is not fully executed, the securities will be allocated to client accounts on a pro rata basis, except where doing so would create an unintended adverse consequence (For example, if a pro rata division would result in a client receiving a fraction of a share, or a position in the account of less than 1%.)

### **Item 13:      Review of Accounts**

All accounts will be reviewed by a member of senior management on at least an annual basis. However, it is expected that market conditions, changes in a particular client's account, or changes to a client's circumstances will trigger a review of accounts. Reviews may vary in focus specific to a client's specific situation but may include performance reviews, changes that have been made since the last review, changes in a client's financial situation, current cash holdings, any known immediate need of investments, and risk tolerance. If a Client wishes to engage the Stony Point for an additional or ongoing review of their financial plan, each review may require a new financial planning agreement.

All clients will receive at least a quarterly statement for each account and confirmations of all trades directly from Schwab. Please refer to Item 15 regarding Custody.

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

Stony Point and its employees do not refer clients to any third-party money manager. Nor does the Firm directly or indirectly compensate any person who is not advisory personnel for client referrals.



## **Item 15: Custody**

Stony Point deducts fees from client accounts, but would not have custody of client funds otherwise. Client accounts will be held with a qualified custodian. Clients will receive statements and copies of all trade confirmations directly from Schwab.

Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Clients whose fees are directly debited will provide written authorization to debit advisory fees from their accounts held by a qualified custodian chosen by the client. Stony Point generates an itemized fee invoice which is then uploaded to the client portal for ease of access. It is a Client's responsibility to review this calculation as well as compare the withdrawal amount the custodial statement. The fee invoice itemizes the fees to be debited, including the formula used to calculate the fee, the amount of assets upon which the fee is based, and the time period covered by the fee. The invoice will also state that the fee has not been independently calculated by the custodian. Please alert us of any discrepancies.

## **Item 16: Investment Discretion**

Asset Management Services may be provided on a "discretionary" or on a "non- discretionary" basis. When Stony Point is engaged to provide these services on a discretionary basis, we will recommend personalized asset allocation services as well as provide continuous monitoring of your accounts. If any changes are needed to your investments, we will make the changes. These changes may involve selling a security or group of investments and buying others or keeping the proceeds in cash. You may at any time place restrictions on the types of investments we may use on your behalf, or on the allocations to each security type. Clients engaging us on a discretionary basis will be asked to execute a Limited Power of Attorney (granting us the discretionary authority over the client accounts) as well as an Investment Advisory Agreement that outlines the responsibilities of both the client and Stony Point.

When a client engages us to provide Asset Management Services on a non-discretionary basis, we monitor the accounts in the same way as for discretionary services. However, Stony Point cannot execute the recommended trades without confirming your consent (either verbally or in writing) to the proposed changes.

## **Item 17: Voting Client Securities**

As a matter of firm policy and practice, Stony Point does not accept any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in accounts. All proxy notices are forwarded directly to the clients by the account custodians as has been indicated on the client's custodial account application. Stony Point will not give clients advice on how to vote proxies. Within Stony Point's written agreements, proxy voting responsibility remains specifically with the client. A complete copy of the Firm's proxy voting policy can be obtained by sending a request to the Chief Compliance Officer via email at [elizabeth@stonypointwealth.com](mailto:elizabeth@stonypointwealth.com) or via telephone at (804) 332-6574.

## **Item 18: Financial Information**

Stony Point does not require the prepayment of fees more than six (6) months or more in advance and therefore has not provided a balance sheet with this brochure. There are no material financial circumstances or conditions that would reasonably be expected to impair our ability to meet our contractual obligations to our clients.

## **STONY POINT WEALTH MANAGEMENT INC. PRIVACY NOTICE**

This notice is being provided to you in accordance with the Securities and Exchange Commission's rule regarding the privacy of consumer financial information ("Regulation S-P"). Please take the time to read and understand the privacy policies and procedures that we have implemented to safeguard your nonpublic personal information.

### **INFORMATION WE COLLECT**

STONY POINT WEALTH MANAGEMENT INC. must collect certain personally identifiable financial information about its clients to ensure that it offers the highest quality financial services and products. The personally identifiable financial information which we gather during the normal course of doing business with you may include:

1. information we receive from you on applications or other forms;
2. information about your transactions with us, our affiliates, or others;
3. information collected through an Internet "cookie" (an information collecting device from a web server); and
4. information we receive from a consumer reporting agency.

### **INFORMATION WE DISCLOSE**

We do not disclose any nonpublic personal information about our clients or former clients to anyone, except as permitted by law. We do not disclose your personal information to any third party for the purpose of allowing that party to market other products to you. In accordance with Section 248.13 of Regulation S-P, we may disclose all of the information we collect, as described above, to certain nonaffiliated third parties such as attorneys, accountants, auditors and persons or entities that are assessing our compliance with industry standards. We enter into contractual agreements with all nonaffiliated third parties that prohibit such third parties from disclosing or using the information other than to carry out the purposes for which we disclose the information.

### **CONFIDENTIALITY AND SECURITY**

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide financial products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.