

Allridge Wealth Management, Inc.
Part 2A of Form ADV
The Brochure



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This brochure provides information about the qualifications and business practices of Allridge Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at 703-840-5500. 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. Registration with any state securities authority does not imply a certain level of skill or training.

Additional information about Allridge Wealth Management, Inc. is also available on the SEC's website at: www.adviserinfo.sec.gov. Our firm's CRD number is **117249**.

Item 2. Material Changes

This Firm Brochure, dated March 2023, provides you with a summary of Allridge Wealth Management, Inc.'s (AWM)'s advisory services and fees, professionals, certain business practices and policies, as well as actual or potential conflicts of interest.

Allridge Wealth Management Inc will update information in our brochure at least annually, within 120 days of our firm's fiscal year end (FYE) of December 31. Additionally, we will notify our clients promptly if there is other interim disclosure about material changes as necessary. The most current version of our disclosure brochure is available on our website www.allridgewealth.com free of charge.

Material Changes since Last Update

Since the last Firm Brochure update in March, 2022, there have been no material changes.

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Item 4. Advisory Business

Allridge Wealth Management, Inc. ("AWM") is an independent fee-only wealth management firm founded in 1995 with its principal place of business located in Virginia. It provides customized investment management services to individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations and other legal entities on a non-transactional fee-only basis. AWM generally invests client assets in domestic and international stocks, bonds, mutual funds, and exchange traded funds ("ETFs").

Listed below are the firm's principal shareholders.

- Richard Albert Allridge- President

Individual Portfolio Management

Upon entering into an Investment Advisory Agreement with AWM, we will obtain sufficient information in the form of a suitability questionnaire and otherwise, from each client about the client's financial situation, investment objectives, time horizon, liquidity needs and risk tolerance. We then work with the client to establish a customized investment profile and Investment Policy Statement ("IPS") that meets the needs of the individual client. Clients can choose from growth, balanced, and conservative strategies, and can impose reasonable restrictions upon us for considering certain types of securities and management of their accounts.

Upon presentation of the Summary Diagnostic Report, AWM will allocate and/or recommend that the client allocate investment assets consistent with their designated investment objectives. AWM will present a detailed investment allocation analysis including independent research reports for each recommended investment as well as strategies for entering the marketplace.

After review, clients are free to obtain separate legal, accounting or brokerage services to implement recommendations. Should it be so desired, AWM will assist the client with implementing their investment choices by coordinating execution and monitoring portfolio performance. At no time does AWM have discretionary control or authority over client accounts or any subsequent investing which could take place as a result of these recommendations.

Once allocated, AWM provides ongoing monitoring and review of account performance and asset allocation as compared to client investment objectives and changing financial needs. The client retains absolute discretion over all related implementation decisions and is free to accept or reject any recommendation from AWM. To the extent requested by the client, AWM can recommend the services of other professionals for certain non-investment implementation purposes (i.e., attorneys, accountants, insurance agents, etc.) Clients are under no obligation to engage the services of any recommended professional, who shall be solely responsible for the quality and competency of the services they provide. AWM receives not compensation either directly or indirectly for such recommendations. If a client engages any recommended professional, and a dispute arises related to the engagement, the client should seek recourse exclusively from and against the engaged professional. The preceding sentence shall not limit or waive any applicable rights under federal or state law, including securities laws and fiduciary obligations that cannot be limited or waived.

Advyzon Platform - AWM provides clients with access to an online platform hosted by third-party Advyzon. The Advyzon platform allows a client to view their complete asset allocation and various performance data points. The platform provides access to other investment related information that should not be construed as services, advice or recommendations provided by AWM. AWM shall not be held responsible for any adverse results a client could experience by engaging in these functions without AWM's assistance or oversight.

Retirement Plan Rollovers-No Obligation/Conflict of Interest. – A client leaving an employer typically has four options regarding an existing retirement plan: (1) leave the money in the former employer's plan if permitted; (2) roll over the assets to a new employer's plan if available and permitted; (3) roll over to an individual retirement account ("IRA") or (4) cash out the account value (which could, depending upon several factors, result in adverse tax consequences)

As a fiduciary, AWM will review the overall implications of transferring an inactive retirement plan to an IRA being managed at AWM. The evaluation criteria covers access to advice, investments and a comparison of costs including investment, administrative and advisory fee costs. A client has the choice of accepting or rejecting AWM's recommendation. If AWM recommends that a client roll over their retirement plan assets into an account to be managed by AWM, such a recommendation creates a conflict of interest if AWM will earn a new or increased advisory fee as a result of the rollover. No client is obligated to roll over retirement plan assets to an account managed by AWM

Cybersecurity Risk – The information technology systems and networks that AWM and its third-party service providers use to provide services to AWM's clients employ various controls, which are designed to prevent cybersecurity incidents stemming from intentional or unintentional actions that could cause significant interruptions in AWM's operations and result in the unauthorized acquisition or use of client's confidential or non-public personal information. Clients and AWM are nonetheless subject to the risk of cybersecurity incidents that could ultimately cause them to incur losses including financial losses, cost and reputational damage to respond to regulatory obligations, other costs associated with corrective measures, and loss from damage or interruption to systems. Although AWM has established systems to reduce the risk of cybersecurity incidents from developing, there is no guarantee that these efforts will always be successful. It should also be noted that AWM does not directly control the cybersecurity measures and policies employed by third-party service providers. Clients could incur similar consequences resulting from cybersecurity incidents that more directly affect issuers of securities in which those clients invest, broker-dealers, qualified custodians, governmental and other regulatory authorities, exchange and other financial market operators or other financial institutions.

All client accounts are managed on a non-discretionary basis. As of December 31, 2022, AWM managed \$30,751,375 on behalf of 17 clients.

Item 5. Fees and Compensation

AWM charges clients in one of two ways: Hourly and on an Assets Under Management Assets basis ("AUM") under our Continuing Services Agreement ("CSA")

Hourly: The hourly billing rate is \$325.00 charged in quarter-hour increments and billed monthly. Travel, administrative costs and other direct expenses will be in addition to this hourly rate.

Assets Under Management (AUM) - Continuing Services Agreement: Assets under management fees are based upon the following schedule: 1% of assets from \$0 to \$1,000,000.00; .75% of assets from \$1,000,000.01 to \$2,000,000.00 and .50% for all assets over \$2,000,000.01. This fee schedule is applied in arrears to the aggregate market value of all accounts being monitored for a client as of the last trading day of each quarter, divided by four. The minimum quarterly charge for this arrangement is \$1,000.00 and minimum asset base is \$1,000,000 except for existing clients and their families. Percentage of assets fees are billed in arrears and deducted from a client-designated account each quarter.

Upon entering into this relationship, there will also be a Client Onboarding Fee ("COF"). The COF is a one-time fee which covers the preliminary work performed during the initial stages of the client relationship including: information gathering, account documentation, account consolidation and transfers as well establishing a client's proprietary vault on our website and synchronizing custodian downloads. Upon completion, a Summary Diagnostic Report will be presented and reviewed with each client. This report will include an assessment of the client's current financial situation, portfolio historical performance and risk/return profile. It is upon this basis that future recommendations will

be developed. The COF will range between \$1,625 and \$3,250 depending upon the complexity of the engagement and will be debited in arrears from the client's designated account at the first quarterly billing period. The combination of the COF and annual AUM fee will not exceed 3% of client assets being managed.

At its sole discretion, AWM does reserve the authority to waive or discount fees for any client based upon certain criteria (i.e., anticipated future earnings, additional assets, dollar amount of assets to be managed, related family accounts and specific client needs) AWM Advisory fees are separate and distinct from fees and expenses charged by independent brokerage/custodians or mutual funds which can be recommended to clients. A description of these fees and expenses are available from the custodian and/or fund prospectus. (Please see section 11 "Brokerage Practices")

Termination and Refunds: The Investment Advisory Agreement ("Agreement") between AWM and the client shall remain in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Clients may terminate the client agreement with written notice within 5 days of the signing of the agreement, without penalty. Thereafter, the client agreement may be terminated upon 30 days written notice to AWM. Upon termination, clients will be billed for the services provided to date on a pro-rata basis.

Neither AWM nor its representatives receive compensation from the sale of securities or any other investment products.

GENERAL INFORMATION

Mutual Fund Fees: All fees paid to AWM for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer. AWM does not share in these fees. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

Item 6. Performance Based Fees and Side-by-Side Management

AWM does not charge performance fees or participate in side-by-side management.

Item 7. Types of Clients

AWM provides customized investment management services to individuals, high net worth individuals, trusts, estates, charitable organizations, pension and profit-sharing plans, corporations and other legal entities on a non-transactional fee-only basis. The minimum account size is generally \$1,000,000 but this amount is negotiable. AWM charges a minimum quarterly charge of \$1,000.00 for investment management services.

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

AWM conducts both fundamental and technical analyses on all securities recommended for client accounts. These analyses vary depending upon the security in question. For individual stocks and bonds the analyses generally include a review of:

- The issuer's management
- The amount and volatility of past profits or losses;
- The issuer's assets and liabilities, as well as any material changes from historical norms;
- Prospects for the issuer's industry, as well as the issuer's competitive position within that industry;
- Any other factors considered relevant.

For mutual funds and Exchange Traded Funds ("ETF") the analyses generally include a review of:

- The fund's management team;
- The fund's historical risk and return characteristics;
- The fund's exposure to sectors and individual issuers;
- The fund's fee structure; and
- Any other factors considered relevant.

Portfolios are constructed for long-term strategic growth or income and not based upon tactical or market timing techniques. All investing involves risk of loss and the investment strategy offered by AWM could lose money over short or even long periods. Performance could be hurt by a number of different risks, including but not limited to:

- **Investment Risk.** Every investment strategy has its inherent risks and limitations. An investment in individual securities, mutual funds or Exchange Traded Funds ("ETF") could lose money. Past performance does not guarantee future results. AWM cannot give any guarantee that any client will receive a return of his or her investment.
- **Market Risk.** The markets for both stocks and bonds are volatile and dependent upon many unpredictable quantifiable and non-quantifiable factors. Markets tend to move in cycles, with periods of rising prices and periods of falling prices. Each type of security has its own unique set of risks associated with it and clients should be prepared accept this risk.
- **Interest Rate Risk.** Fixed income securities are subject to changes in valuation based upon the movement of prevailing interest rates. As interest rates rise the underlying price of fixed income securities fall.
- **Inflation Risk.** As the rate of inflation increases, the current purchasing power of a dollar is eroded.

- **Business Risk.** Investments in mutual funds, exchange traded funds or individual stocks entail all the risks associated with the underlying holdings found in those vehicles including reliance on a company's managers and their ability to execute business strategies. Managers are charged with managing both systemic risk relating to the movements of the general economy and unsystematic risk which is unique to a specific company or industry. In addition, all businesses face risks such as adverse changes in regulatory requirements, interest rate and currency fluctuations, general economic downturns, changes in political situations, market competitions and other factors. AWM will not have day-to-day control over any mutual fund, ETF or company which it recommends to clients.
- **Inaccurate Information.** In making its investment decisions, we will rely on internally generated research, derived from annual reports, prospectuses, filings with the SEC, corporate press releases, inspections of corporate activities, conversations with the firm and/or competitors, financial newspapers, magazines and other sources. We also use research materials prepared by others in making an investment decision. During the research process, we make an assessment of the quality of the security in question by examining among other things financial metrics of the relevant company, the integrity and strategic vision of the management team and the ability to execute such strategy, as well as the attractiveness and risks of the company's industry. We are not always able to confirm the completeness or accuracy of such information, and in some cases, complete and accurate information is not available. Incorrect or incomplete information increases risk and a result in losses.

Risks for all forms of analysis. 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.

Risk of Loss. Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9. Disciplinary Information

Neither AWM nor any employee has been involved in any legal or disciplinary event.

Item 10. Other Financial Industry Activities and Affiliations

Mr. Allridge is also a partner in Century Financial Group, LLC, a Virginia Registered Investment Advisor located at 4114 Legato Road, 5th Floor, Fairfax, VA 22033. He is registered with this firm as an investment advisor representative in Virginia and provides investment advice to clients of Century Financial Group, LLC. His arrangement with this company presents no conflict of interest with clients of AWM

Mr. Allridge does not receive economic benefits from any person or entity other than AWM and Century Financial Group, LLC in connection with providing investment advice to clients.

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

To avoid any potential conflicts of interest involving personal trades, AWM has adopted a Code of Ethics ("Code"), which includes formal insider trading prohibitions, information barriers, and personal security transactions policies and procedures. AWM's Code requires, among other things, that its employees:

- Place client interests ahead of AWM's,
- Engage in personal investing that is in full compliance with the Code,
- Avoid taking advantage of their position, and
- Maintain full compliance with applicable federal securities laws.

AWM's Code also requires employees to: (1) pre-clear certain personal securities transactions, (2) report personal securities transactions on at least a quarterly basis, and (3) provide AWM with a detailed summary of holdings (both initially upon commencement of employment and annually thereafter) over which the employee has a direct or indirect beneficial interest.

A copy of AWM's Code shall be provided to any client or prospective client upon request.

As a member of the Financial Planning Association ("FPA"), AWM is also required to adhere to the FPA's Code of Ethics.

AWM's employees can conduct investment activities for their own accounts but generally don't invest in the same securities recommended to clients. In some cases, the investment holdings of AWM's employees can overlap with those of clients and employee personal securities transactions and could theoretically occur in the same security on the same day as client securities transactions. However, AWM does not initiate securities transactions on behalf of its clients and would not have any advance notice of whether the client intended to implement the recommendations made by AWM. Employees are prohibited from using any advance knowledge of any trading intentions in order to benefit from any potential impact of client trading activity.

Item 12. Brokerage Practices

AWM does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Clients wishing to implement the advice provided by AWM are free to select any broker they wish and are so informed. Those wishing for a recommendation receive such recommendation based upon the broker's costs, skills, reputation, dependability and compatibility with the client, and not upon any financial arrangement between the AWM and the recommended broker. AWM generally recommends that clients use Charles Schwab & Co., Inc. ("Schwab") as their broker dealer/custodian.

Schwab is the largest discount commercial broker dealer/custodian in the United States and offers a low commission structure in combination with excellent service. The services provided by Schwab are a factor in the firm's suggestion that clients use Schwab, whose services will ordinarily include monthly and at least quarterly account statements to clients. Schwab will also provide AWM with computer software services whereby the firm can monitor and review client accounts. For this reason, AWM can have an incentive to recommend Schwab over other brokers.

Although not a material consideration, when determining whether to recommend that a client utilize the services of a particular custodian, AWM can receive from Schwab support services to better monitor and service client accounts maintained at such institutions. However, AWM clients do not pay more for investment transactions maintained at Schwab as a result of this arrangement.

Based upon the above, in general, clients will not pay commissions higher than those obtainable from other brokers in return for Schwab services because Schwab's low commission structure is fundamental to its operation. However, brokerage commission rates in the US are not fixed by any authority but are subject to negotiation. Therefore, it is possible that commission rates for certain customers can be higher or lower for identical or similar transactions, had they been executed at other broker/dealers.

Item 13. Review of Accounts

For those clients utilizing AWM's Continuing Services Agreement, ("CSA") account reviews are conducted on a periodic basis based upon a mutually agreed upon schedule between the client and representatives of AWM. Client accounts are reviewed at least annually with the calendar being the triggering factor. Clients also receive account statements directly from their chosen custodian on at least a quarterly basis. All Continuing Supervisory Agreement clients are advised that it remains their responsibility to advise AWM of any changes in their investment objectives, risk tolerance and overall financial situation.

Item 14. Client Referrals and Other Compensation

AWM does not provide nor receive any economic benefit from outside sources in connection with providing referrals of investment advice to clients.

Item 15. Custody

We previously disclosed our fee schedule in the "Fees and Compensation" section (Item 5) of this Brochure. In that your assets are maintained at a qualified custodian, you provide written authorization to that custodian for the deduction of all advisory fees as submitted by AWM. It is the client's responsibility to verify the accuracy of all fees deducted by the custodian.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statement to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Item 16. Investment Discretion

AWM is a non-discretionary investment advisor and is not registered to buy or sell securities. All purchases and sales of securities are handled directly by the client. It is the sole responsibility of the client to verify that all transactions initiated by him or her are correct.

Item 17. Voting Client Securities

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1)

directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18. Financial Information

AWM does not require the prepayment of any client fees.

AWM does not require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. AWM has no additional financial circumstances to report.

AWM has not been the subject of a bankruptcy petition at any time during the past ten years.

Item 19. Requirements for State-Registered Advisors

Richard A. Allridge, CFP - Biographical Information

Educational Background and Business Experience

Born in 1951, Richard A. Allridge is the founder, President and principal shareholder of AWM. He received his Bachelor's degree from Duquesne University, Pittsburgh, Pennsylvania in 1974 and a Master's Degree in Public Administration from the University of Pittsburgh, Pittsburgh, Pennsylvania in 1977. He was awarded the Certified Financial Planner™ designation in 1985 from the Certified Financial Planner Board of Standards, Inc.¹

Disciplinary Information

Richard has not been involved in any legal or disciplinary events that would be material to a client's evaluation of him or of AWM.

Other Business Activities

Richard is also a partner in Century Financial Group, LLC; a Virginia Registered Investment Advisor located at 4114 Legato Road, 5th Floor, Fairfax, VA 22033. He is registered with this firm as an investment advisor representative in Virginia and provides investment advice to clients of Century Financial Group, LLC. His arrangement with this company presents no conflict of interest with clients of AWM.

Additional Compensation

Richard does not receive economic benefits from any person or entity other than AWM and Century Financial Group, LLC in connection with providing investment advice to clients.

Supervision

Richard is the founder and President of AWM and is ultimately responsible for the investment activities and regulatory compliance of AWM. AWM has adopted policies and procedures to ensure it is in compliance with federal and state securities regulations and statutes.

Richard W. Allridge, CFP - Biographical Information

Educational Background and Business Experience

Born in 1990, Richard W. Allridge is a principal of AWM. He received his Bachelor's degree from Saint Joseph's University, Philadelphia, Pennsylvania in 2012. He was awarded the Certified Financial Planner™ designation in 2017 from the Certified Financial Planner Board of Standards, Inc. He is also a member in good standing in The Financial Planning Association (FPA).

Disciplinary Information

Richard has not been involved in any legal or disciplinary events that would be material to a client's evaluation of him or of AWM.

Other Business Activities

Richard also serves as operations manager for Century Financial Group, LLC; a Virginia Registered Investment Advisor located at 4114 Legato Road, 5th Floor, Fairfax, VA 22033. He is registered with this firm as an investment advisor representative in Virginia and provides investment advice to clients of Century Financial Group, LLC. His arrangement with this company presents no conflict of interest with clients of AWM.

Additional Compensation

Richard does not receive economic benefits from any person or entity other than AWM and Century Financial Group, LLC in connection with providing investment advice to clients.

Supervision

Richard adheres to the policies and procedures adopted by AWM to ensure compliance with federal and state securities regulations and statutes.

ⁱ The **Certified Financial Planner™ (CFP®)** designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board). To earn the CFP designation, candidates must meet several requirements—the first of which is the educational requirement, which requires candidates to have a bachelor's degree or higher from an accredited U.S. college or university. CFP candidates must master a list of nearly 100 topics on integrated financial planning. The topics cover major planning areas such as: General Principles of Finance and Financial Planning; Insurance Planning; Employee Benefits Planning; Investment and Securities Planning; State and Federal Income Tax Planning; Estate Tax, Gift Tax, and Transfer Tax Planning; Asset Protection Planning; Retirement Planning; and Estate Planning. Students are required to complete course training in the above listed topic areas in order to meet the first requirement to sit for the 10-hour CFP Board Certification Examination. Even after the student passes the exam, he or she must also have three years full-time or equivalent experience in the financial planning field and be approved by the CFP Board during initial certification, which involves an extensive background check—including an ethics, character and criminal check. Students and certificants are required to adhere to the CFP Board Code of Ethics and Professional Responsibility and to the Financial Planning Practice Standards. To maintain certification, license holders are also required to complete certain continuing education requirements on an on-going basis in addition to paying a licensing fee every two years.