

Red Mountain Financial, LLC

Cover Page

Form ADV Part 2A

Investment Advisor Brochure Red Mountain Financial, LLC

CRD #277100

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March 31, 2024

This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm, Red Mountain Financial, LLC (CRD#277100) and Chris Barr (CRD # 3272402) is available on the SEC's website at: www.adviserinfo.sec.gov.

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Item 2: Material Changes

The purpose of this section is to discuss only material changes since the last annual update of Red Mountain Financial, LLC Financial Investment Advisor Brochure. The date of the last annual update was March 31, 2023.

Summary of Material Changes:

-Since the last ADV Part 2a filed on March 31, 2023, Red Mountain Financial, LLC is now registered with the SEC.

-TD Ameritrade is no longer a custodian of record for client accounts. These accounts have been acquired by Charles Schwab & Co, Inc as of 09/03/2023.

Delivery:

Within 120 days of our fiscal year end we will deliver our annual Summary of Material Changes if there have been material changes since the last annual updating amendment.

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Item 3: Table of Contents

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Item 4: Advisory Business

Advisory Firm

Red Mountain Financial, LLC (hereinafter “Red Mountain” or RMF) has been providing investment advisory services since 2015. Chris Barr is the founder, sole owner, managing member and Chief Compliance Officer of Red Mountain, LLC and has been in the financial services industry since 1999.

Advisory Services

Red Mountain Financial, LLC is a fee-only advisor. The firm provides hourly financial planning services and supervisory management services.

Red Mountain provides hourly financial planning services consistent with the individual client's financial and tax status and risk/reward objectives. Planning may be comprehensive, or segmented and focus on investments, insurance, taxes, and /or estate plans.

Supervisory management services are called assets under management. At Red Mountain, the portfolio management process begins with a comprehensive understanding of each client’s unique situation, risk tolerance, and goals. This is the basis for determining the target allocation to stocks and bonds; a decision that will have significant impact on portfolio risk and future returns. The composition of investments within each of the asset classes may follow asset allocation models pre-defined by Red Mountain and will be customized to suit individual client preferences, and to meet specific circumstances. These include the presence of investments in a 401(K), 403b and other accounts.

Assets are invested primarily in no-load and exchange-traded funds. Investments may also include: equities (stocks), corporate debt securities, certificates of deposit, municipal securities and U. S. government securities.

Red Mountain will provide asset management services through accounts held at the clients' preferred custodian or a custodian recommended by Red Mountain Financial, LLC. Services are based on the individual needs of the client. An initial interview and data gathering process is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave written instructions with Red Mountain to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Any restrictions must be provided in writing at the time the client agreement is signed. It is the client's responsibility to notify Red Mountain Financial, LLC at any time there are changes or to modify account restrictions. Clients may call in at any time during normal business hours to discuss directly with Red Mountain the client's account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all securities and funds in the account.

Red Mountain determines the ratio of equities to fixed income and generally incorporates IRA, 401(k) and other tax deferred accounts into overall asset allocation strategy. Previous holdings are evaluated to determine which are in the appropriate asset classes and which are in need of re-allocation. Red Mountain offers both non-discretionary and discretionary investment management. Trades may be placed with or without permission depending on the client agreement on file. Portfolios are transparent and available for client review at any time.

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Red Mountain strives to maintain an ongoing dialogue with every client throughout the year. As individual clients communicate changes in their circumstances, Red Mountain will reevaluate its analysis, assumptions, and investment management recommendations.

As of December 31, 2023, Red Mountain has \$162,133,709 of assets under management.

To best complement our investment advisory services, Red Mountain recommends estate planning be carried out by attorneys specializing in estate planning, tax issues be discussed with CPAs, real estate matters be dealt with by real estate brokers and attorneys, and insurance matters be handled by no-load insurance companies. Keeping these services separate helps ensure that there will be no conflict of interest with respect to the level of service these professionals deliver.

Item 5: Fees and Compensation

The rate for hourly financial planning services varies between \$125 and \$250 per hour depending upon complexity of the service. Client is billed upon completion of service.

Fees for assets under management at custodian are computed on a quarterly, semi-annual or annual basis depending on the signed client agreement. The fee excludes CD's and cash. The annual percentage varies between .25% and .75%. Fees are negotiable.

Red Mountain Financial, LLC will also utilize and offer as an option in certain client relationships a flat annual fee that varies between \$1,500 and \$25,000 per year. On a percentage basis, the flat annual fee amount will not exceed 0.75% of the total assets under management. After reviewing all aspects of a prospective client's situation, Red Mountain Financial, LLC prices the engagement based approximately on the amount of time required to serve each relationship yearly. Fees may be more in particular cases depending on complexities, number of accounts, portfolio size, or other unusual circumstances. Red Mountain reserves the right to renegotiate in the event of a material change in the scope or volume of services to be performed. Red Mountain reserves the right to charge a lesser investment advisory fee based upon a client's historical relationship to the firm, anticipated earnings capacity, dollar amount of assets to be managed, related accounts, and account composition.

These fees are for advisory services only and do not include any transaction fees or commissions, which may be charged separately by the custodian. See the section heading Brokerage Practices for more information.

For Red Mountain, the fee will normally be payable quarterly in arrears. Other billing periods are available including semi-annually and annually. These will also be billed in arrears. For the percentage of assets under management fee arrangement, payments are due and will be assessed on the first day after the end of each quarter based on the value of the account assets under supervision as of the close of business on the last business day of that quarter (or semi-annual or annual period as well). The fees for the flat fee arrangement will be billed quarterly on the first day after the end of each quarter and will be $\frac{1}{4}$ of the agreed upon annual advisory fee. For semi-annual and annual fee arrangements, the fee will be $\frac{1}{2}$ of agreed upon annual fee for semi-annual and full amount for annual payment arrangement.

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Payment of fees may be paid direct by the client, or client may authorize custodian to deduct Red Mountain advisory fees direct from the client account in accordance with invoices prepared and submitted to custodian by Red Mountain. The client custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by Red Mountain. The client custodian will not determine whether the fee is properly calculated.

Client receives an informational invoice showing the amount of the fee, the value of the assets upon which the fee was based, the time period and the specific manner in which the fee was calculated.

If client chooses to have fees deducted directly from their account, Red Mountain sends an invoice to the client at the same time Red Mountain sends the invoice to the custodian. The invoice will include the amount of the fee, the value of the assets upon which the fee was based, the time period for the fee and the specific manner in which the fee was calculated.

Not all custodians allow for direct fee deductions from client accounts so direct billing may be the only fee payment option for some clients.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor.

For Red Mountain, the percentage of assets under management and flat fee services will continue until either party terminates the Agreement.

If termination occurs prior to the end of a quarter, the client will be invoiced for fees earned but unpaid on a pro-rata basis.

Item 6: Performance-Based Fees And Side-By-Side Management

Red Mountain does not charge performance-based fees, which is based on capital gains in the client account.

Item 7: Types of Clients and Account Minimums

Red Mountain Financial, LLC. provides advisory services to individuals, trusts, estates, and business entities.

Minimum account size is \$50,000. Red Mountain Financial, LLC may waive this minimum in certain circumstances.

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

The portfolio management advice Red Mountain provides is based on a long-term “buy and hold” passive and active investment approach incorporating modern portfolio theory and

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principles of finance. Red Mountain may use asset allocation strategies for portfolio management.

By its nature, financial planning looks to the long-term. After the client's short-term cash needs and emergency fund is evaluated, investment and insurance strategies are designed to help the client achieve his or her financial goals. Casualty insurance (e.g. homeowner's, auto, liability, etc.) is reviewed only at the client's request, and would be provided by an outside casualty firm.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss.

Item 9: Disciplinary Information

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel.

Red Mountain Financial, LLC does not have any disclosure items.

Item 10: Other Financial Industry Activities and Affiliations

Red Mountain Financial, LLC does not participate in or have any other affiliations in the Financial Industry.

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

Code of Ethics

Red Mountain Financial, LLC maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel.

Red Mountain shall always:

- Act in the best interest of each and every client.
- Act with integrity and dignity when dealing with clients, prospects, team members and others.
- Seek at all times to preserve our firm's independence and to maintain our complete objectivity with respect to our advisory services and each recommendation made to our clients.
- Strive to maintain and continually enhance our degree of professional education regarding Modern Portfolio Theory, asset allocation, and financial planning.

Clients may request a copy of the Code of Ethics.

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Participation or Interest in Client Transactions and Personal Trading

At times Red Mountain, LLC may take positions in the same securities as clients, and the firm will try to avoid conflicts with clients. Red Mountain will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. Red Mountain will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have a negligible effect on the market price), would not be disclosed at the time of trading.

Item 12: Brokerage Practice

Selection or Recommendation of Broker/Dealers

Red Mountain clients generally direct Red Mountain to execute transactions for their account through a broker selected by the Client, which is generally the custodian designated by the Client. Accounts are typically custodied at Charles Schwab & Co, Inc. Red Mountain may, however, recommend that certain transactions be executed through brokers other than the designated custodian and, if such recommendations are accepted by the Client, Red Mountain will execute the applicable transactions through the recommended broker.

By instructing Red Mountain to execute transactions on behalf of the Client through the designated custodian, a disparity may exist between the commissions borne by the Client and the commissions borne by Red Mountain's other clients that do not direct Red Mountain to use the same designated custodian. Also, by instructing Red Mountain to execute transactions on their behalf through the designated custodian, Clients may not necessarily obtain commission rates and execution as favorable as those that would be obtained if Red Mountain were able to place transactions with other broker-dealers.

In cases where Red Mountain recommends a broker other than a client's designated custodian to execute transactions, Red Mountain's objective in selecting broker-dealers and in effecting portfolio transactions is to seek to obtain the best combination of price and execution with respect to its Clients' portfolio transactions. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. Red Mountain considers the full range of broker-dealer services, including: execution capability, commission rates, responsiveness and trade support. Red Mountain will seek competitive rates, but it may not necessarily obtain the lowest possible commission rates for client transactions. Red Mountain believes, in good faith, that the commissions are reasonable considering the value of the brokerage, research and client services received.

The designated custodians provide Red Mountain with access to institutional trading and custody services that are typically not available to retail investors. These unsolicited services are generally available to independent investment advisors at no cost. Services provided by the designated custodians to Red Mountain include: a dedicated trading desk, a dedicated service group, an account service manager, and electronic download of trades. The designated custodians may also provide Red Mountain with computer

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software and related systems support at no cost. This allows Red Mountain to better service the client accounts maintained by them. The designated custodians offer benefits to clients including: duplicate and batched client statements, confirmations, year-end summaries, and the ability to have custody or other fees waived.

These products and services are provided at no cost to clients or reduced cost to Red Mountain. These benefits accrue regardless of the number of transactions directed by Red Mountain to each of the designated custodians. Brokerage commissions and transaction fees are exclusive of, and in addition to, Red Mountain's annual fee. Red Mountain has no direct affiliation or fee sharing arrangement with Fidelity, Schwab, or Vanguard for participation in their institutional offerings.

Soft Dollar Practices

Red Mountain may be the recipient of software and other informational materials from the designated custodians. These materials are unsolicited and accepted with the intent of assisting the firm with its investment decisions for the client. This creates an incentive for the firm to recommend certain custodians. This will create a conflict of interest, but in conjunction with this conflict, we will work in the best interest of the client.

Directed Brokerage

Client may direct brokerage to a specified broker/dealer other than the firm recommended by Red Mountain. It is up to the client to negotiate the commission rate, as Red Mountain will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than the rate available through the broker/dealer used by Red Mountain. In client directed brokerage arrangements, the client may not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, Red Mountain recommends a broker/dealer with competitive commission rates.

Item 13: Review of Accounts and Reports on Accounts

Reviews

Hourly financial planning services are a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

Red Mountain assets under management and flat annual fee accounts are reviewed at a minimum of once per quarter. Market conditions that might cause a wide variance in the specified asset allocation, or other factors could cause a more frequent review.

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Accounts are periodically reviewed throughout the year by Red Mountain Financial. A change in the asset allocation strategy for a client account or an “out of balance” situation may trigger additional reviews or account rebalancing.

Reports

All clients receive standard account statements from investment sponsors and brokerage firms.

Item 14: Client Referrals & Other Compensation

Referral Fees Paid

Red Mountain does not receive or pay referral fees.

Red Mountain welcomes client referrals. Red Mountain does not compensate referring parties for these referrals, nor does the firm accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15: Custody

Although client assets are held by a third-party independent custodian, Red Mountain is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement. Except for this fee deduction, we do not have authority to withdraw funds out of client accounts.

Clients may, at their choice, complete an additional authorization form from the custodian whereby Red Mountain Financial can facilitate transfers between the custodian and another financial institution. This authorization can facilitate recurring transfers and on-demand requests which client approves ahead of time with this authorization form. Red Mountain will relay these transfer requests to the custodian, who will refer to these standing instructions for authorization. These authorizations may be cancelled at any time through verbal or written request.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against invoices prepared by Red Mountain for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

Please see *Fees and Compensation* section on Page 5 for more information on deduction of fees.

Item 16: Investment Discretion

Red Mountain Financial, LLC

We may provide our various forms of investment advisory services under either **discretionary** or **nondiscretionary** account authority as determined by your written engagement agreement. **Discretionary** authority means that RMF has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. **Discretionary** trading authority facilitates placing trades in client accounts so that the Advisor may efficiently implement the investment strategy in line with your stated account objectives. **Non-discretionary** authority means RMF will select the identity and amount of securities to be bought or sold, but must receive approval from the client prior to placing any trades in the client's account.

Red Mountain will not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

Item 17: Voting Client Securities

Advisors are required to disclose whether they have or will accept authority to vote client securities. Proxy voting practices and the conflicts arising from such practices are important information and should be disclosed. Red Mountain will accept authority to vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies, but may request Red Mountain Financial to handle this responsibility for securities maintained in their portfolios. Clients will receive their proxies or other solicitations directly from the custodian or transfer agent unless directed otherwise via written client instructions. Questions about proxies may be made via the contact information on the cover page.

Item 18: Financial Information

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years.

Red Mountain does not have any disclosure items in this section.

Item 19: Requirements for State Registered Advisors

Firm Principals and management Persons

Christopher Jay Barr- Managing Member/Chief Compliance Officer/Sole Owner

Education and Business Background

Name: Chris Barr, CFP®

Year of Birth: 1971

Red Mountain Financial, LLC

Education: Louisiana State University, Baton Rouge, LA
B.S., International Trade & Finance, 1994

Business: Red Mountain Financial, LLC, Fort Collins, CO, President, IA Representative
08/15 - present
Charles Schwab & Co, Fort Collins, CO, Financial Consultant
04/2000 – 08/2015

Professional Designations Qualifications

CFP® - Certified Financial Planner is issued by the Certified Financial Planner Board of Standards, Inc. Candidates must meet the following requirements:

- Complete CFP® education program or fulfillment by other specified credential
- Bachelor's degree (or higher) from an accredited college or university
- Pass CFP® certification exam
- 3 years of full-time personal financial planning experience
- Continuing education requirement of 30 hours every 2 years

Outside Business Activities

Red Mountain Financial, LLC does not participate in any outside business activities.

Performance Based Fees

Red Mountain Financial, LLC does not participate in performance based fees nor is compensated by performance based fees.

Disclosure Events

Red Mountain Financial Financial, LLC has not been involved in any of the following events.

An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;

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- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Relationships with issuers of securities

Red Mountain Financial, LLC does not maintain relationships or arrangements with any issuers of securities.