



## Trailhead Investment Management Service™

## Trail Ridge Investment Advisors, LLC

**IARD # 284741**

*A Subsidiary of Trail Ridge Wealth Management, Inc.*

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**Form ADV Part 2A  
Firm Brochure  
March 26, 2024**

This Brochure provides information about the qualifications and business practices of Trail Ridge Investment Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (970) 305-5150, or via email at Jeff.Kadavy@TrailRidgeWM.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.

Trail Ridge Investment Advisors, LLC is a registered investment advisory firm. Registration of an investment advisory firm does not imply a particular level of skill or training.

Additional information about Trail Ridge Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 Material Changes

Since its last amendment was filed on March 24, 2023, there were no material changes made to the brochure.

## ITEM 3 Table of Contents

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

**ITEM 4****Advisory Business****FIRM INFORMATION**

Trail Ridge Investment Advisors, LLC (“TRIA,” “we,” “us,” “our”), a limited liability company, became a registered investment advisory firm in 2016.

**PRINCIPAL OWNERS**

TRIA is owned and controlled by Trail Ridge Wealth Management, Inc. David Chadwick Jones, Jeffrey B. Kadavy, Mark K. Kerwood, Peter B. Loritz, and Jacqueline C. Zipser own and control Trail Ridge Wealth Management, Inc. Jeffrey B. Kadavy serves as the Chief Compliance Officer of TRIA.

**TRAILHEAD INVESTMENT MANAGEMENT SERVICE™**

The Trailhead Investment Management Service™ (“Trailhead”) is a managed account offering designed for professionals who are early in their careers and are beginning to invest for the future.

As part of the Trailhead service, clients will complete a personal risk tolerance assessment and provide additional information about their financial goals. Based on this information, TRIA and the client will select an appropriate portfolio. These portfolios will be comprised of investments that may include exchange-traded funds (ETFs), mutual funds, and other similar equity-related index funds tailored to the client’s specific needs. Clients can modify risk preferences, investment objectives, investment size, and other reasonable restrictions for their account(s). Restrictions on investments in certain securities or types of securities may not be possible due to the level of difficulty in managing the account. Portfolios will be periodically rebalanced based upon your needs, stated goals, and objectives.

Upon request, you will also be offered financial advice to help you understand your overall financial situation and help you set financial objectives. We accomplish this by helping you review your financial goals, tax planning strategies, asset allocation, risk management, retirement planning, and other areas and objectives.

**OTHER INVESTMENT ADVISORY SERVICES**

TRIA provides additional investment advisory services, including financial planning and consulting, and investment management. For additional information regarding these services and their corresponding fees, please request TRIA’s other disclosure brochure on Form ADV Part 2A.

**WRAP FEE PROGRAMS**

TRIA does not participate in or offer wrap fee programs.

**ASSETS UNDER MANAGEMENT**

As of December 31, 2023, TRIA managed \$244,919,838 on a discretionary basis and \$5,007,711 on a non-discretionary basis.

**ITEM 5****Fees and Compensation****PORTFOLIO MANAGEMENT FEES**

TRIA is compensated for providing portfolio management services by charging a negotiable fee based on the total assets under management. The fees and billing will be pre-determined in writing in the Investment Advisory Agreement executed by you and TRIA.

Trailhead Investment Management Service™	
Total Assets Under Management	Annual Fee
All Balances	0.75%

*\* Minimum account size of \$5,000 and maximum account size of \$200,000, both of which may be waived at TRIA's discretion.*

Fees are paid monthly in arrears. TRIA uses the average daily balance of your accounts for the billing period, after taking into account deposits and withdrawals, for purposes of determining the market value of the assets upon which the advisory fee is based.

Asset-based portfolio management fees are withdrawn directly from your accounts. In states that require it, TRIA will:

- (A) Possess written authorization from the client to deduct advisory fees from an account held by a qualified custodian.
- (B) Utilize a custodian that sends at least monthly statements reflecting all additions and deductions, including the amount of advisory fees.
- (C) Send the qualified custodian written notice of the amount of the fee to be deducted and send the client a written invoice upon or prior to fee deduction itemizing the fee, including the formula used to calculate the fee, the time period covered by the fee, and the amount of assets under management on which the fee was based.

These fees are generally negotiable, and the final fee schedule is attached as Exhibit II of the Investment Advisory Agreement.

Either you or TRIA may terminate the Investment Advisory Agreement with a 30-day advance written notice. For agreements terminated mid-billing period, clients will be responsible for paying the prorated advisory fee (earned but unpaid), using the average daily balance of the client's accounts for the billing period through the date of termination. However, if we do not deliver the appropriate disclosure statement to you at least 48 hours prior to you entering into any written or oral advisory agreement with this us, then you have the right to terminate the contract without penalty within five (5) business days after entering into the agreement.

**OTHER EXPENSES AND FEES**

The fees discussed above include payment solely for our asset management services provided by us and are separate from certain fees or charges that may be imposed by third parties in

connection with investments made on your behalf for your account. Third-party fees may include markdowns, markups, brokerage commissions, other transaction costs, and/or custodial fees.

Also, all fees paid to us for the Trailhead service are separate from the expenses charged by exchange-traded funds and mutual funds to their investors. These fees and expenses will be used to pay management fees for the funds, other fund expenses, account administration, and a possible distribution fee. Exchanged traded funds and mutual funds can be invested in directly by you without our services. However, you would not receive our services to assist you in determining which products or services are most suitable for your financial situation and objectives. You should review both the fees we charge and the fees charged by the fund(s) to understand the total fees to be paid.

#### **ADDITIONAL COMPENSATION**

Neither TRIA nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

### **ITEM 6**

## **Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees, which are fees based on a share of capital gains on or capital appreciation of your assets.

### **ITEM 7**

## **Types of Clients**

We provide the Trailhead Investment Management Service to Individuals. Please refer to Item 5 for information regarding account minimums.

### **ITEM 8**

## **Methods of Analysis, Investment Strategies, and Risk of Loss**

#### **METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

Modern portfolio theory is a risk-averse theory that involves the construction of portfolios to maximize and optimize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward. According to the theory, it's possible to construct an "efficient frontier" of optimal portfolios offering the maximum possible expected return for a given level of risk.

When formulating investment advice or managing client assets, we use a long-term strategy. A long-term strategy may not take advantage of short-term gains or may experience more volatility over the life of the portfolio.

Your accounts are managed separately with your underlying investment strategies, restrictions, or investment limitations defined within the investment advisory agreement.

## POTENTIAL RISKS

Investing involves different levels of risk that can result in the loss of any profits and/or principal you have not realized. We manage your account in a manner consistent with your pre-determined risk tolerance and suitability profile. However, we cannot and do not guarantee that our efforts will be successful. Investing in securities involves the risk of loss, which you should be prepared to bear.

### Investing involves the assumption of risk, including:

**Financial Risk:** the risk that the investments we recommend to you perform poorly, which affect the price of your investments.

**Market Risk:** the risk that the stock market will decline, decreasing the value of the securities we recommend to you along with it.

**Inflation Risk:** the risk that the rate of price increases in the economy deteriorates the returns associated with securities.

**Political and Governmental Risk:** the risk that the value of your investment may be affected by the introduction of new laws or regulations.

**Interest Rate Risk:** the risk that the value of the investments we recommend to you will fall if interest rates rise.

**Call Risk:** the risk that a security will be called away or purchased back from you when conditions are favorable to a bond issuer or option purchaser and unfavorable to you.

**Default Risk:** the risk that a bond issuer is unable to pay the contractual interest or principal on a bond promptly or at all.

**Manager Risk:** the risk that an investment adviser will fail to execute its stated investment strategy or outperform an applicable index.

**Industry Risk:** the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of portfolios significantly invested in that industry.

## ITEM 9

## Disciplinary Information

As of the date of this brochure, we have not been subject to any disciplinary, legal, or regulatory events related to past or present investment clients. There have been no disciplinary, legal, or regulatory events related to us or any of our management persons.

**ITEM 10****Other Financial Activities and Affiliations****FINANCIAL INDUSTRY ACTIVITIES**

Neither TRIA nor its management persons are registered or have applications pending to register as a broker-dealer or a registered representative of a broker-dealer.

Neither TRIA nor its management persons are registered or have applications pending to register as a futures commission merchant, commodity pool operator, or commodity trading advisor.

Trail Ridge Trust Company, LLC (“TRTC”) is a wholly-owned subsidiary of TRIA’s parent company, Trail Ridge Wealth Management, Inc. TRTC operates under a trust company charter granted by the Wyoming Division of Banking and provides trust, estate, and other fiduciary services. TRIA may refer its clients to TRTC for various trust-related services. Furthermore, TRTC may act as a trustee for TRIA clients. This may create a conflict of interest; however, TRIA clients always have the right to use the service provider of their choice.

**SELECTION OF OTHER INVESTMENT ADVISERS**

In offering the Trailhead service, we may recommend or select third-party money managers (“TPMMs”) for our clients. We will always act in the best interest of our clients when recommending or selecting TPMMs and receive no remuneration from any TPMM for doing so. If TRIA is billed directly by a TPMM for its services, TRIA will pass that cost on to the applicable client account(s). The client always has the right to decide whether to act on our recommendations and whether to utilize the services of the recommended TPMM. The client always has the right to utilize the professional of his or her choice. All TPMMs will be properly registered as investment advisers in the proper jurisdictions.

**ITEM 11****Code of Ethics, Participation in Client Transactions, and Personal Trading****CODE OF ETHICS**

TRIA has developed a Code of Ethics that applies to all of its supervised persons. TRIA and its investment adviser representatives (“IARs”) must act in a fiduciary capacity when providing investment advisory services to you. As a fiduciary, it is an investment adviser’s responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. TRIA has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle of our Code of Ethics, which also covers our insider trading and personal securities transactions policies and procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will acknowledge that they have read, understand, and agree to comply with our Code of Ethics.

Our Code of Ethics is available to clients and prospective clients upon request.



## **PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

There may be instances where an IAR will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which an IAR, its affiliates, or other clients may also have a position or interest. Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis. Generally, in such circumstances, the affiliated and client accounts will share execution costs equally. Completed trade orders will be allocated according to the instructions from the initial trade order. Partially filled trade orders will be allocated on a pro-rata basis. Any exceptions will be explained in the trade order.

## **PERSONAL TRADING**

Employees are permitted to have personal securities accounts as long as personal investing practices are in line with fiduciary standards and regulatory requirements and do not conflict with their duty to TRIA and our clients. TRIA monitors and controls personal trading through pre-approval of all personal securities transactions or blackout periods imposed upon employees trading in the same securities as TRIA. We forbid any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

## **ITEM 12 Brokerage Practices**

TRIA currently has custodial arrangements with National Financial Services LLC (“NFS”). NFS is the unaffiliated, qualified custodian with which TRIA requires you to custody your accounts. NFS is an independent SEC-registered broker-dealer and member of FINRA and SIPC. NFS is an affiliate of Fidelity Investments (“Fidelity”).

As a fiduciary, we are obligated to seek out the best execution of client transactions for the accounts that we manage. In general, the execution of securities transactions is at a total cost to process each transaction and is the most favorable under the circumstances. However, we do not limit the best execution to the lowest available price. Additional factors are taken into consideration when determining the arrangement and services in the selection of a broker-dealer or qualified custodian. Our review consists of reviewing the commission and fee structures of various broker-dealers, research platforms, and execution services. Accordingly, while we do consider competitive rates, we do not necessarily obtain the lowest possible commission rates for account transactions. Therefore, the overall services provided by unaffiliated broker-dealers and qualified custodians are evaluated to determine the best execution. You may pay trade execution charges and higher commissions through the trading platforms approved by us than through platforms that have not been approved by us.

## **RESEARCH AND OTHER SOFT DOLLAR BENEFITS**

We receive soft dollar benefits in that NFS may make available to us other products and services such as trade execution software, investment research, pricing information, market data, record-keeping, publications, and conferences in return for effecting transactions through them. Such arrangements will be pursuant to Section 28(e) of the Securities and Exchange Act of 1934.

As part of our relationship with Fidelity, Fidelity may offer us services intended to help us manage and further develop our business enterprise, such as access to webinars and advice to grow our

business. Fidelity may offer different or expanded services in the future. These services could create an incentive for us to recommend that our Clients invest through Fidelity's platform. This is a potential conflict of interest, given that our interest in recommending Fidelity could be influenced by our receipt of Fidelity's services to our business.

### **BROKERAGE-FOR-CLIENT REFERRALS**

We do not receive client referrals from broker-dealers.

### **DIRECTED BROKERAGE**

We do not recommend, request, require, or permit clients to direct us to execute transactions through a specific broker-dealer other than those we recommend.

### **TRADE AGGREGATION**

If we buy or sell the same securities on behalf of more than one client whose accounts are maintained with the same qualified custodian, then we may (but are under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, and/or more efficient execution. In such a case, we would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients, provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy.

### **SECURITIES LITIGATION – CLASS ACTION CLAIMS**

From time to time, class action lawsuits may be brought by shareholders against companies the securities of which TRIA has purchased or maintained as investments for clients. TRIA retains the services of a third party (the "provider") to prepare, file, accept, and process class action claims, settlement payments resulting from the claims, government filings, and any required supporting documentation with claims administrators on behalf of TRIA's clients. The provider may (a) request, gather, and/or copy all necessary documentation to file claim(s) on a client's behalf; (b) forward to claims administrators any materials necessary to complete a client's claim(s) in class action settlements; (c) accept, endorse, deposit, and otherwise deal with any check, instrument, or other payment from claims administrators; and (d) cause others to take these actions. TRIA will give to the provider the client trade data and/or supporting documentation necessary to perform the provider's services. TRIA's clients will be bound by the releases included in any settlement for which the provider obtains settlement payments on their behalf. The provider is compensated for its services by retaining a percentage of the settlement payments resulting from class action claims. TRIA's clients may opt out of this service in writing.

## **ITEM 13**

## **Review of Accounts**

### **PERIODIC REVIEWS**

Clients will be provided with continuous access to their accounts via Fidelity's online portal. Through the portal, clients will receive current reporting information about their account status, securities positions, and balances. The client's primary advisor will provide reviews of accounts

on a periodic, as-needed basis, but no less than annually, with spot checks performed by the Chief Compliance Officer.

### **REVIEW TRIGGERS**

We conduct periodic reviews to evaluate the current market, economic, and political events and how these may affect client accounts. Additional reviews may be triggered by these events or by events in a client's financial or personal status.

### **REGULAR REPORTS**

We do not provide regular written reports to clients using the Trailhead service; however, clients will receive account statements from their qualified custodian no less than quarterly. These statements show asset value by cash balances, security, unit cost, total cost, current per share values, etc. Clients are urged to review their quarterly statements and notify us of any discrepancies. Clients are encouraged to phone or email us as often as they deem necessary to receive information regarding the investment tactics and strategies employed.

## **ITEM 14**

### **Client Referrals and Other Compensation**

TRIA does not receive any economic benefit, directly or indirectly, from any third party for advice rendered to its clients. TRIA does not compensate third-party solicitors for client referrals.

## **ITEM 15**

### **Custody**

We are deemed to have custody of client funds and securities in the following circumstances: due to our ability to deduct management fees from clients' accounts when clients authorize us in a standing letter of authorization to disburse funds at our discretion to a third party, and where TRIA provides investment advisory services for trusts of which its affiliate, TRTC, serves as a trustee. We will not take physical custody of clients' funds and will not assign or transfer trading authorization to another advisor. Clients will receive account statements from the qualified custodian(s) holding their funds and securities at least quarterly. The custodian's account statements will indicate the amount of our advisory fees deducted from the clients' account(s) each billing period. These statements should be carefully reviewed by the client for accuracy. Item 5 – Fees and Compensation has additional information regarding our ability to deduct management fees from clients' accounts.

## **ITEM 16**

### **Investment Discretion**

#### **DISCRETIONARY AUTHORITY FOR TRADING**

By participating in the Trailhead service, upon receiving your written authorization via our executed investment advisory agreement, we will maintain trading authorization over your designated account(s) and may also implement trades on a discretionary basis. We will have the limited authority to determine the type and number of securities that may be purchased, sold, or exchanged for your portfolio without obtaining your consent for each transaction.

**ITEM 17****Voting Client Securities**

We do not have the authority to vote proxies regarding the securities held in your account. The responsibility for voting your securities increases our liability exposure and does not add enough value to the services we provide to you to justify the additional compliance and regulatory costs associated with voting your securities. Therefore, you are responsible for voting all proxies for securities held in your accounts. Typically, your qualified custodian will forward you your proxy information. Although we do not vote your proxies, you may contact us if you have questions about a particular proxy.

**ITEM 18****Financial Information**

TRIA is not required to include a balance sheet for its most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to our clients. TRIA is currently not and has not historically been in a financially precarious situation or the subject of a bankruptcy petition.