



## **Form ADV Part 2 – Firm Brochure**

### **Trail Financial Planning LLC**

214 N. Commercial St.  
Bellingham, WA 98225  
(360) 399-6486

[www.trailfp.com](http://www.trailfp.com)

Dated: March 10, 2026

This Brochure provides information about the qualifications and business practices of Trail Financial Planning LLC, referred to as “Trail Financial” in this document. If you have any questions about the contents of this Brochure, please contact us at the number above. 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 Financial Planning LLC is registered as an Investment Adviser with the United States Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Trail Financial is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) which can be found using the firm’s identification number: 165063 (be sure to choose “firm” and not “individual” on the website.)

Throughout the document the terms “adviser”, “advisor”, or “planner” may be used to refer to Trail Financial, or a representative of the company.

## Item 2: Material Changes

---

On March 10, 2026, we filed our annual updating amendment for fiscal year end 2025. There are no material changes to report.

Any future changes will be reported here.

From time to time, we may amend this Disclosure Brochure to reflect changes in our business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Disclosure Brochure or a Summary of Material Changes shall be provided to each Client annually and if a material change occurs in the business practices of Trail Financial Planning LLC.

At any time, you may view the current Disclosure Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov> by searching for our firm name or by our CRD number 165063. You may also request a copy of this Disclosure Brochure at any time, by contacting us at (360) 399-6486.

# Item 3: Table of Contents

---

## Contents

Item 2: Material Changes.....	2
Item 3: Table of Contents.....	3
Item 4: Advisory Business.....	4
Item 5: Fees and Compensation.....	11
Item 6: Performance-Based Fees and Side-By-Side Management.....	14
Item 7: Types of Clients.....	14
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9: Disciplinary Information.....	19
Item 10: Other Financial Industry Activities and Affiliations.....	19
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	19
Item 12: Brokerage Practices.....	20
Item 13: Review of Accounts.....	23
Item 14: Client Referrals and Other Compensation.....	24
Item 15: Custody.....	24
Item 16: Investment Discretion.....	25
Item 17: Voting Client Securities.....	26
Item 18: Financial Information.....	27

## Item 4: Advisory Business

---

### Description of Advisory Firm

Trail Financial Planning LLC, AKA “Trail Financial,” is registered as an Investment Adviser with the United States Securities and Exchange Commission (“SEC”). We were founded on April 30, 2017. John Chesbrough CFP® and Elizabeth Snyder CFP® are the principal owners of Trail Financial Planning LLC. The firm is successor to a previous registered investment advisory business known as “John Chesbrough, Investment Advisor,” that had been registered since October 2012.

As of December 31, 2025, Trail Financial has \$117,334,223 in discretionary and \$0 in non-discretionary assets under management.

We provide the following services:

- Comprehensive Financial Planning
- Investment management
- Targeted Financial Consult Projects

Trail Financial will obtain the following information from the Client: the Client’s age, other investments, financial situation and needs, tax status, investment objectives, investment experience, investment time horizon, liquidity needs, risk tolerance, and any other information the client may disclose to the investment adviser in connection with such recommendation or investment advice. Trail financial will make reasonable efforts to document and annual update client suitability information.

Here are details of the services we offer:

### Comprehensive Financial Planning

#### General description

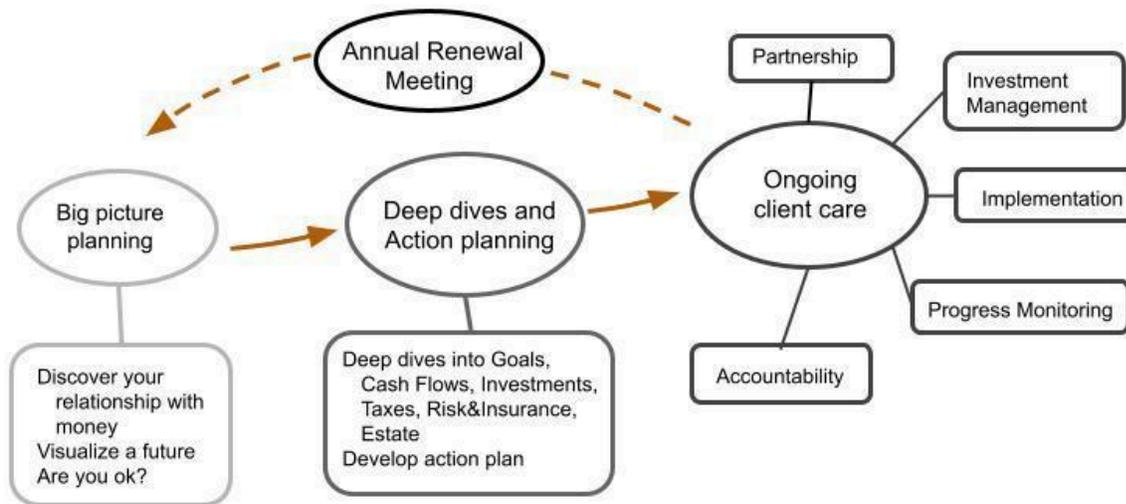
Financial planning is the process of evaluating and analyzing a client’s current and future financial state. The central focus of the work is to establish goals and help the client plan for and manage their finances to achieve those goals. Our financial lives tend to be multi-dimensional and interconnected. For example, an investment decision may have downstream considerations on taxes, cash flows or estate considerations. For this reason, our service is comprehensive. We consider all areas of a client’s financial life (see detailed list of Financial Planning topics starting on page 9).

The actual services topics, and progression of those topics will depend on an individual client. In general, they will correspond to age and phase of life. We create strategies for how a client may manage their financial resources in the future, in alignment with a client’s values. We create a written

report to summarize our planning work and the recommended implementation plan. The written summary is delivered to the client in either physical or electronic format. Over time, we may help support the implementation plan through further client meetings, analysis, tracking, reporting, and client communication.

There is a general flow to Comprehensive financial planning. Figure 1 is an illustration.

Figure 1. Progression of Comprehensive financial planning over time



**Specific Services within comprehensive financial planning**

The specific services provided with Comprehensive financial planning depends on an individual client’s needs, and often corresponds to the stage in life. Table 1 describes some key characteristics by life stage.

Table 1. Typical client characteristics and needs

Stage of life:	Early career	Mid Career	Post career
Client Characteristics	Young professionals Saving through employee sponsored plan Career advancement Student loan debts	Balancing career and family High earning years Multiple investment accounts	Retired or preparing to retire Multiple investments and assets

Table 2 illustrates the services we often engage in with our clients, based on life stage.

Table 2. Typical services provided based on client life stage.

Stage of life:	Early Career	Mid Career	Post Career
Service theme	Wages into wealth	Management and allocation	Management and distribution
<i>Phase 1 – The Big Picture</i>			
Discover your financial history	✓	✓	✓
Visualize and establish goals	✓	✓	✓
Create a financial life model	✓	✓	✓
Explore and strategize	✓	✓	✓
<i>Phase 2 – Deep Dives and Implementation</i>			
Deep dive: Investments Review	✓	✓	✓
Deep dive: Taxes review	✓	✓	✓
Deep dive: Risk & Insurance	✓	✓	✓
Deep dive: Estate	✓	✓	✓
Deep dive: College Planning	✓	✓	
Scenario planning with different goals	✓	✓	✓
Cash Flows: savings or debt payoff strategy	✓	✓	
Cash Flows: Distribution strategy			✓
<i>Ongoing Client Care</i>			
Annual Renewal meeting – Review and renewal of phase 1 and 2 topics	✓	✓	✓
Cash flows ongoing management	✓	✓	✓
Retirement transition planning		✓	✓
Social Security Optimization			✓
Ongoing access to advisor (email & phone)	✓	✓	✓

### Topics of Comprehensive Financial Planning

Financial planning topics may include, but are not limited to, the following:

- **Business Planning:** We provide consulting services for clients who currently operate their own business, are considering starting a business, or are planning for an exit from their current business. Under this type of engagement, we work with you to assess your current situation, identify your objectives, and develop a plan aimed at achieving your goals.
- **Cash Flow and Debt Management:** We will conduct a review of your income and expenses to determine your current surplus or deficit along with advice on prioritizing how any surplus

should be used or how to reduce expenses if they exceed your income. Advice may also be provided on which debts to pay off first based on factors such as the interest rate of the debt and any income tax ramifications. We may also recommend what we believe to be an appropriate cash reserve that should be considered for emergencies and other financial goals, along with a review of accounts (such as money market funds) for such reserves, plus strategies to save desired amounts.

- **College Planning:** Includes planning to both save for, apply to, and pay for, college. Saving for college projects the amount that will be needed to achieve college or other post-secondary education funding goals, along with advice on ways for you to save the desired amount. Applying to college can be financially strategic by selecting institutions that are a good financial match for the student. Paying for college includes utilizing all available resources such as financial aid (if eligible), gifts from family, loans, tax credits, as well as accumulated savings.
- **Employee Benefits Optimization:** We will provide review and analysis as to whether you, as an employee, are taking the maximum advantage possible of your employee benefits. If you are a business owner, we will consider and/or recommend the various benefit programs that can be structured to meet both business and personal retirement goals.
- **Estate Planning:** This usually includes an analysis of your exposure to estate taxes and your current estate plan, which may include whether you have a will, powers of attorney, trusts and other related documents. Our advice also typically includes ways for you to minimize or avoid future estate taxes by implementing appropriate estate planning strategies such as the use of applicable trusts.

We always recommend that you consult with a qualified attorney when you initiate, update, or complete estate planning activities. We may provide you with contact information for attorneys who specialize in estate planning when you wish to hire an attorney for such purposes. From time-to-time, we will participate in meetings or phone calls between you and your attorney with your approval or request.

- **Financial Goals:** We will help clients identify financial goals and develop a plan to reach them. We will identify what you plan to accomplish, what resources you will need to make it happen, how much time you will need to reach the goal, and how much you should budget for your goal.
- **Insurance:** Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

- **Investment Analysis:** This may involve developing an asset allocation strategy to meet clients' financial goals and risk tolerance, providing information on investment vehicles and strategies, reviewing employee stock options, as well as assisting you in establishing your own investment account at a selected broker/dealer or custodian. The strategies and types of investments we may recommend are further discussed in Item 8 of this brochure.
- **Retirement Planning:** Our retirement planning services typically include projections of your likelihood of achieving your financial goals, typically focusing on financial independence as the primary objective. For situations where projections show less than the desired results, we may make recommendations, including those that may impact the original projections by adjusting certain variables (i.e., working longer, saving more, spending less, taking more risk with investments).

If you are near retirement or already retired, advice may be given on appropriate distribution strategies to minimize the likelihood of running out of money or having to adversely alter spending during your retirement years.

- **Risk Management:** A risk management review includes an analysis of your exposure to major risks that could have a significant adverse impact on your financial picture, such as premature death, disability, property and casualty losses, or the need for long-term care planning. Advice may be provided on ways to minimize such risks and about weighing the costs of purchasing insurance versus the benefits of doing so and, likewise, the potential cost of not purchasing insurance ("self-insuring").
- **Tax Planning Strategies:** Advice may include ways to minimize current and future income taxes as a part of your overall financial planning picture. For example, we may make recommendations on which type of account(s) or specific investments should be owned based in part on their "tax efficiency," with consideration that there is always a possibility of future changes to federal, state or local tax laws and rates that may impact your situation.

We recommend that you consult with a qualified tax professional before initiating any tax planning strategy, and we may provide you with contact information for accountants or attorneys who specialize in this area if you wish to hire someone for such purposes. We will participate in meetings or phone calls between you and your tax professional with your approval.

## Investment Management Services

We offer investment management service through our own in-house service model, and through the use of third-party money managers.

### **In-house Investment Management Services**

We manage individually tailored investment portfolios. Those portfolios may follow a passive or active management strategy, or a mix. We typically recommend clients are invested in a combination of mutual funds, stocks, and bonds. Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives are established based on a client's particular circumstances, we develop a client's personal Investment Policy Statement with an asset allocation target and create and manage a portfolio based on that policy and allocation target. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. We may also review and discuss a client's prior investment history, as well as family composition and background.

When we provide investment management services, clients grant us limited authority to buy and sell securities on a discretionary basis or non-discretionary basis. More information on our trading authority is explained in Item 16 of this Brochure. Account supervision is guided by the stated objectives of the client (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors. Fees pertaining to this service are outlined in Item 5 of this brochure.

Account minimum: We do not have any account size limitations for investment management. However, our Ongoing Client Care service model, in which comprehensive financial planning is paid for under the investment management fee structure, does have account minimums. A more detailed discussion may be found in Item 5 of this brochure.

### **Investment Advisory Services - third party money managers**

We also offer investment advisory services by referring clients, where appropriate, to third-party money managers ("Outside Managers") for portfolio management services. We assist clients in selecting an appropriate allocation model, completing the Outside Manager's investor profile questionnaire, interacting with the Outside Manager and reviewing the Outside Manager. Our review process and analysis of outside managers is further discussed in Item 8 of this Form ADV Part 2A. Client may impose reasonable restrictions on their account. Additionally, we will meet with the client on a periodic basis to discuss changes in their personal or financial situation, suitability, and any new or revised restrictions to be applied to the account. Fees pertaining to this service are outlined in Item 5 of this brochure.

### **Targeted Financial Consultations**

### *Description of targeted financial consultation services*

Targeted financial consultations address specific topics or planning questions. The service is not comprehensive in nature. The scope of the project is defined between client and advisor at the outset of an engagement. Fees pertaining to targeted financial consultations are outlined in Item 5 of this brochure.

### **Disclosure of potential conflict of interest**

There may be a conflict of interest when engaging in comprehensive financial planning or targeted financial consultations. The advisor may recommend certain services that the advisor also offers. The client and advisor should address the conflict.

### **Employee Benefit Plan Services**

Our firm provides employee benefit plan services to employer plan sponsors on an ongoing basis. Generally, such services consist of assisting employer plan sponsors in establishing, monitoring and reviewing their company's participant-directed retirement plan. As the needs of the plan sponsor dictate, areas of advising could include: investment options, plan structure, and participant education.

In providing employee benefit plan services, our firm does not provide any advisory services with respect to the following types of assets: employer securities, real estate (excluding real estate funds and publicly traded REITS), participant loans, non-publicly traded securities or assets, other illiquid investments, or brokerage window programs (collectively, "Excluded Assets").

### **Educational Seminars and Speaking Engagements**

We may provide seminars on an "as announced" basis for groups seeking general advice on investments and other areas of personal finance. The content of these seminars will vary depending upon the needs of the attendees. These seminars are purely educational in nature and do not involve the sale of any investment products. Information presented will not be based on any individual person's need, nor does Trail Financial Planning LLC provide individualized investment advice to attendees during these seminars.

### **Wrap Fee Programs**

We do not participate in wrap fee programs.

## Item 5: Fees and Compensation

Please note, unless a client has received the firm's disclosure brochure at least 48 hours prior to signing the investment advisory contract, the investment advisory contract may be terminated by the client, with written or verbal notice, within five (5) business days of signing the contract without penalty. In some instances, the Adviser will send the client a written invoice concurrently with the request for payment or payment of the Adviser's advisory fees on your custodian(s) fee invoice. We urge the client to compare this information with the fees listed in the account statement. How we are paid depends on the type of advisory service we are performing. Fee(s) may be higher than normally charged in the industry and similar services may be offered by another adviser at a lower fee. Please review the fee and compensation information below.

### Fee for Comprehensive Financial Planning

Table 3 illustrates typical fees, which tend to be based on the phase of life of a client.

*Table 3. Typical fees for Comprehensive financial planning*

Phase of Planning	Typical cost
Initial Planning Fee (one-time): Big picture and deep dive/action planning	\$3,000 - \$5,000 depending on complexity
Ongoing client care (quarterly fee and billing)	Investment Management Fee Model (asset minimum applies)

Planning fees may be subsidized by investment management fees depending on the amount of Assets Under Management (or AUM). If the AUM is over \$500,000, then all initial and ongoing planning fees may be subsidized. If the AUM is below \$500,000, then a portion of the initial and ongoing fees may be subsidized. Your advisor will provide you with specific terms based on your needs and your AUM.

### Investment Management Fee Model

Our standard advisory fee is based on the market value of the total Household Assets Under Management, or AUM<sup>1</sup>, and is calculated as shown in Table 4:

*Table 4. Investment Management Fee Structure*

Household Assets Under Management	Quarterly Advisory Fee
First \$500,000 (AUM from \$0 - \$500,000)	0.25%

<sup>1</sup> Assets Under Management, or AUM, are defined by any and all assets that are included in a separate Investment Management contract, and for management of which the client pays a fee to the Adviser.

<b>Next \$1,500,000 (for AUM between \$500,000 - \$2,000,000)</b>	0.20%
<b>Additional AUM (for AUM above \$2,000,001)</b>	0.15%

Fees are paid in arrears on a quarterly basis. The advisory fee is a blended fee and is calculated by assessing the percentage rates using the predefined levels of assets as shown in the above chart, resulting in a combined weighted fee. The AUM is based upon the last open market day of the calendar quarter.

For example, an account valued at \$800,000 would pay an effective quarterly fee of \$1,850 or 0.23125%. This is determined by the following calculation:  $(\$500,000 \times 0.25\%) + (\$300,000 \times 0.20\%) = \$1,850$ . Investment management fees may be negotiable. No increase in the annual fee shall be effective without agreement from the client by signing a new agreement or amendment to their current advisory agreement.

Advisory fees may be directly debited from client accounts, or paid by check or electronic funds transfer, per client's choice. An investment management agreement may be terminated at any time with written notice. Accounts initiated or terminated during a calendar quarter may be charged a pro-rated fee based on the amount of time the Client-Advisor Agreement was valid during the billing period. Upon termination, any unearned fee will be refunded to the client.

For fees paid by electronic funds transfer, debit card or credit card, we use an independent third-party payment processor in which the client can securely input their banking information and pay their fee. We do not have access to the client's banking information at any time. The client will be provided with their own secure portal in order to make payments.

Members of the same family may combine account values (for purposes of fee calculation) if their finances are enmeshed in such a way as to allow for one Investment Policy Statement and Advisory Agreement to cover all accounts.

## Hourly fee model

Services delivered under the hourly fee model are based on time worked, and the hourly rate. Our current hourly rate is \$300/hour. Fees may be negotiable based on client and advisor discussions.

## Fee details for all planning work

The fee is written into the client-advisor agreement and is established before any work is done. Fees are based upon our hourly rates as published above. Follow-up services and meetings will also be tied to our hourly rate. Financial planning fees will be offset for related advisory services of assets being managed by the Adviser. If no service was provided during the billing period, no fee will be charged.

Clients may opt to make partial monthly payments to pay off the account balance over time. All work (except for initial deposit as described below) will only be invoiced after the work is completed.

Trail Financial will not bill an amount above \$1,200 six months or more in advance. Financial planning services may be terminated at any time by written or verbal notice. If the planning agreement is terminated, client will be billed for work done, but not yet paid for, based on our hourly rate. If payment was received, but work was not done (such as an initial deposit was received, but the client decided not to proceed with services), a refund will be provided to the client for the amount of payment received less any work completed (based on the agreed-upon hourly rate), any completed deliverables will be provided to the Client, and no further fees will be charged. Fees may be paid by electronic funds transfer or check. For fees paid by electronic funds transfer, debit card or credit card, we use an independent third-party payment processor in which the client can securely input their banking information and pay their fee. We do not have access to the client's banking information at any time. The client will be provided with their own secure portal in order to make payments.

### **A note about excessive fees**

As fiduciaries to our clients, we research and discuss the effect of fees on long-term financial health. We aim for our advisory fees to be between 0.5% and 1.0% of Assets Under our Management (calculated as an annual rate). However, we recognize that some of our clients without substantial Assets Under our Management would be paying a higher fee as measured by "percent of Assets Under Management." Within the industry, a "reasonable maximum advisor fee" is considered to be less than 2% of Assets Under Management (annual rate).

However, a client may receive value from our financial planning services apart from the investment management service. Thus, they may wish to engage our services despite the fact that our fees would appear excessive as a "percent of assets under management." In such a case, where a client is paying a fee higher than 2% of Assets Under Management (annual rate), we will inform the client of the fee, and disclose to them that it may be possible for them to find another advisor or advisory firm where they can pay less in fees than our firm charges.

### **Other Types of Fees and Expenses**

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which may be incurred by the client, and may be the result of our investment recommendation. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our fee, and we shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client's transactions and determining the reasonableness of their compensation (e.g., commissions).

We do not accept compensation for the sale of securities or other 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 accept performance-based fees for the management of clients' assets. Nor do we have any other affiliated accounts in which we do so (AKA side-by-side management where an adviser manages accounts both with and without performance-based fees).

## Item 7: Types of Clients

---

We provide financial planning and investment management services to individuals, families, small businesses, non-profit entities and trusts.

We do not have a minimum account size requirement for financial planning services and/or a passive strategy of investment management. However, if a client wishes for active investment management, the minimum Assets Under Management is \$100,000. The \$100,000 account minimum for active management may be waived in certain cases.

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

---

### **Investment Analysis methodology and risks**

#### **Investment analysis within financial planning**

When clients have us complete an Investment Analysis (described in Item 4 of this brochure) as part of their financial plan, we use a client's goals and risk tolerance/capacity to determine a recommended asset allocation for their investments. We aggregate their current investment accounts, and assess their current asset allocation. We compare the current allocation to the recommended allocation. We also look at the actual investments, and evaluate the impact of expenses on portfolio performance.

As we evaluate existing client investments for asset allocation and expenses, our primary method of investment analysis is to use fundamental analysis from primary account documents. If such

documents are unavailable, we will use a third-party supplier of investment research such as Morningstar. We do not use market timing, charting or technical analysis of the market or market sectors in our analysis.

There are many risks to Investment Analysis including the risk that our information is incorrect or incomplete. There is also an inherent timing risk since we mainly advise our clients on issues of diversification, investment allocation and expense management.

### **Passive Investment Management**

We typically employ passive investment management, through the use of mutual funds or Exchange Traded Funds. Passive investing involves building portfolios that are comprised of various distinct asset classes. The asset classes are weighted in a manner to achieve a desired relationship between correlation, risk and return. Funds that are passively managed aim to capture the returns of the desired asset classes, and are considered for inclusion in the portfolio.

Passive investment management is characterized by low portfolio expenses (i.e. the funds inside the portfolio have low internal costs), minimal trading costs (due to infrequent trading activity), and relative tax efficiency (because the funds inside the portfolio are tax efficient and turnover inside the portfolio is minimal).

### **Actively managed investment accounts**

For our actively managed investment accounts, we predominantly analyze investments based on Fundamental analysis. Fundamental analysis involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience, and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. Our data and information comes from company reports and third-party investment reports. Beyond overall market risk, the risk of fundamental analysis is that information obtained may be incorrect, or the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

### **Active vs. Passive investing**

Passive investing is a strategy where the investment manager does not pick individual securities but owns positions corresponding to a broader index (i.e. the S&P 500 market). As the strategy requires little analysis, expenses are generally much lower than actively managed investments. Active management involves a single manager or managers who employ some method, strategy or technique to construct a portfolio that is intended for a specific purpose. The purpose could be to deliver

dividend income, to create and follow a specific investment strategy (such as slowly reducing a concentrated position, or to slowly invest a lump sum), to create a higher risk portfolio with a correspondingly higher potential return, or to invest with a particular set of values (i.e. “socially responsible investing”). If market-beating returns are the only goal, it should be noted that academic research indicates most active managers underperform the market.

Trail Financial Planning LLC does not believe that one strategy is better than another. We believe that the strategy should match the client’s individual goals, financial position and risk tolerance.

#### *Third party managed investment accounts*

We employ the use of sub-advisers (“outside managers”). Our analysis of outside managers involves the examination of the experience, expertise, investment philosophies, and past performance of the outside manager 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 monitor the manager’s underlying holdings, strategies, concentrations and leverage as part of our overall periodic risk assessment. Additionally, as part of our due-diligence process, we survey the manager’s compliance and business enterprise risks. A risk of investing with an outside manager who has been successful in the past is that he/she may not be able to replicate that success in the future. We do not control the underlying investments in an outside manager’s portfolio. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the portfolio, making it a less suitable investment for our clients. Moreover, as we do not control the manager’s daily business and compliance operations, we may be unaware of the lack of internal controls necessary to prevent business, regulatory or reputational deficiencies.

### **Material Risks Involved**

**All investing strategies we offer involve risk and may result in a loss of your original investment which you should be prepared to bear.** Many of these risks apply equally to stocks, bonds, commodities and any other investment or security. Material risks associated with our investment strategies are listed below.

**Market Risk:** Market risk involves the possibility that an investment’s current market value will fall because of a general market decline, reducing the value of the investment regardless of the operational success of the issuer’s operations or its financial condition.

**Strategy Risk:** The Adviser’s investment strategies and/or investment techniques may not work as intended.

**Small and Medium Cap Company Risk:** Securities of companies with small and medium market capitalizations are often more volatile and less liquid than investments in larger companies. Small and medium cap companies may face a greater risk of business failure, which could increase the volatility of the client’s portfolio.

**Turnover Risk:** If an investment portfolio has a turnover rate that is higher than other strategies, it could incur correspondingly greater brokerage commission expenses and may result in the distribution of additional capital gains for tax purposes. These factors may negatively affect the account's performance. If we, as the investment manager, or a third-party investment manager traded stocks at a high rate (resulting in high turnover), this risk would become relevant to portfolio performance.

**Concentration Risk:** If your portfolio has an investment with a higher than desired concentration based on portfolio allocation, then the investment may have an exaggerated effect on portfolio performance. A position can become concentrated due to excess purchase, or appreciation of the underlying security. The investment manager should keep aware of this risk, and at the very least, inform the client of the risk.

**Interest Rate Risk:** Bond (fixed income) prices generally fall when interest rates rise, and the value may fall below par value or the principal investment. The opposite is also generally true: bond prices generally rise when interest rates fall. In general, fixed income securities with longer maturities are more sensitive to these price changes. Most other investments are also sensitive to the level and direction of interest rates.

**Legal or Legislative Risk:** Legislative changes or Court rulings may impact the value of investments, or the securities' claim on the issuer's assets and finances.

**Inflation:** Inflation may erode the buying-power of your investment portfolio, even if the dollar value of your investments remains the same.

## Risks Associated with Securities

Apart from the general risks outlined above which apply to all types of investments, specific securities may have other risks.

**Commercial Paper** is, in most cases, an unsecured promissory note that is issued with a maturity of 270 days or less. Being unsecured the risk to the investor is that the issuer may default.

**Common stocks** may go up and down in price quite dramatically, and in the event of an issuer's bankruptcy or restructuring could lose all value. A slower-growth or recessionary economic environment could have an adverse effect on the price of all stocks.

**Corporate Bonds** are debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline

when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

**Bank Obligations** including bonds and certificates of deposit may be vulnerable to setbacks or panics in the banking industry. Banks and other financial institutions are greatly affected by interest rates and may be adversely affected by downturns in the U.S. and foreign economies or changes in banking regulations.

**Municipal Bonds** are debt obligations generally issued to obtain funds for various public purposes, including the construction of public facilities. Municipal bonds pay a lower rate of return than most other types of bonds. However, because of a municipal bond's tax-favored status, investors should compare the relative after-tax return to the after-tax return of other bonds, depending on the investor's tax bracket. Investing in municipal bonds carries the same general risks as investing in bonds in general. Those risks include interest rate risk, reinvestment risk, inflation risk, market risk, call or redemption risk, credit risk, and liquidity and valuation risk.

**Options and other derivatives** carry many unique risks, including time-sensitivity, and can result in the complete loss of principal. While covered call writing does provide a partial hedge to the stock against which the call is written, the hedge is limited to the amount of cash flow received when writing the option. When selling covered calls, there is a risk the underlying position may be called away at a price lower than the current market price.

**Exchange Traded Funds** prices may vary significantly from the Net Asset Value due to market conditions. Certain Exchange Traded Funds may not track underlying benchmarks as expected.

**Investment Companies Risk.** When a client invests in open end mutual funds or ETFs, the client indirectly bears its proportionate share of any fees and expenses payable directly by those funds. Therefore, the client will incur higher expenses, many of which may be duplicative. In addition, the client's overall portfolio may be affected by losses of an underlying fund and the level of risk arising from the investment practices of an underlying fund (such as the use of derivatives). ETFs are also subject to the following risks: (i) an ETF's shares may trade at a market price that is above or below their net asset value; (ii) the ETF may employ an investment strategy that utilizes high leverage ratios; or (iii) trading of an ETF's shares may be halted if the listing exchange's officials deem such action appropriate, the shares are de-listed from the exchange, or the activation of market-wide "circuit breakers" (which are tied to large decreases in stock prices) halts stock trading generally. The Adviser has no control over the risks taken by the underlying funds in which clients invest.

---

## Item 9: Disciplinary Information

---

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Trail Financial or the integrity of our management.

We have no information applicable to this Item. In other words, neither John Chesbrough CFP® nor Elizabeth Snyder CFP®, nor any affiliated person with the firm, have been the object of any disciplinary or legal action. Specifically, neither party has been the subject of any criminal or civil action(s) in domestic or foreign courts, administrative proceeding by the SEC or other regulatory body, or been the subject of any proceeding by a self-regulatory organization.

---

## Item 10: Other Financial Industry Activities and Affiliations

---

John Chesbrough CFP® and Elizabeth Snyder CFP® currently do not participate in other financial industry activities and are not affiliated with other financial firms.

### **Recommendations or Selections of Other Investment Advisers**

As referenced in Item 4 of this brochure, Trail Financial recommends clients to Outside Managers to manage their accounts. In the event that we recommend an Outside Manager, please note that we do not share in their advisory fee. Our fee is separate and in addition to their compensation (as noted in Item 5) and will be described to you prior to engagement. You are not obligated, contractually or otherwise, to use the services of any Outside Manager we recommend. Additionally, Trail Financial will only recommend an Outside Manager who is properly licensed or registered as an investment adviser.

---

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

---

As a fiduciary, our firm and its associates have a duty of utmost good faith to act solely in the best interests of each client. Our clients entrust us with their funds and personal information, which in turn

places a high standard on our conduct and integrity. Our fiduciary duty is a core aspect of our Code of Ethics and represents the expected basis of all of our dealings.

The firm also adheres to the Code of Ethics and adopted by the CFP® Board of Standards Inc., and accepts the obligation not only to comply with the mandates and requirements of all applicable laws and regulations but also to take responsibility to act in an ethical and professionally responsible manner in all professional services and activities. This code does not attempt to identify all possible conflicts of interest, and literal compliance with each of its specific provisions will not shield associated persons from liability for personal trading or other conduct that violates a fiduciary duty to advisory clients.

A summary of the CFP® Board’s Code of Ethics is outlined below.

- Act with honesty, integrity, competence, and diligence
- Act in the client’s best interests.
- Exercise due care.
- Avoid or disclose and manage conflicts of interest.
- Maintain the confidentiality and protect the privacy of client information.
- Act in a manner that reflects positively on the financial planning profession and CFP® certification.

We will, upon request, promptly provide a complete code of ethics.

Our firm and its “related persons” (associates, their immediate family members, etc.) may buy or sell securities the same as, similar to, or different from, those we recommend to clients for their accounts. A recommendation made to one client may be different in nature or in timing from a recommendation made to a different client. Clients often have different objectives and risk tolerances. At no time, however, will our firm or any related party receive preferential treatment over our clients.

In an effort to reduce or eliminate certain conflicts of interest involving the firm or personal trading, our policy may require that we restrict or prohibit associates’ transactions in specific securities transactions. Any exceptions or trading pre-clearance must be approved by our Chief Compliance Officer in advance of the transaction in an account, and we maintain the required personal securities transaction records per regulation.

## Item 12: Brokerage Practices

---

### **Factors Used to Select Custodians and/or Broker-Dealers**

Trail Financial Planning LLC does not have any affiliation with Broker-Dealers. Specific custodian recommendations are made to clients based on their need for such services. We recommend

custodians based on the reputation and services provided by the firm. Our primary recommended custodians are:

- Altruist Financial LLC
- Pershing LLC (formerly known as Shareholder Services Group, or SSG)
- My529

The advisor is not affiliated with any of the brokerage firms listed. None of the brokers supervise the advisor, its agents or activities.

### **1. Research and Other Soft-Dollar Benefits**

We do not have any soft-dollar arrangements with custodians whereby soft-dollar credits, used to purchase products and services, are earned directly in proportion to the amount of commissions paid by a Client. However, as a result of being on their institutional platform, Altruist may provide us with certain services that may benefit us.

### **2. Brokerage for Client Referrals**

We receive no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### **3. Clients Directing Which Broker/Dealer/Custodian to Use**

We do recommend a specific custodian for clients to use, however, clients may custody their assets at a custodian of their choice. Clients may also direct us to use a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

## **The Custodian and Brokers We Use – Altruist Financial LLC**

We offer investment advisory services through the custodial platform offered by Altruist Financial LLC (“Altruist”), an unaffiliated SEC-registered broker dealer and FINRA/SIPC member. Custody, clearing, and execution services are provided by Altruist Financial LLC as a self-clearing broker-dealer. Our clients establish brokerage accounts through Altruist. We maintain an institutional relationship with Altruist whereby Altruist provides certain benefits to us, including a fully digital account opening process, a variety of available investments, and integration with software tools that can benefit us and our clients. We are not affiliated with Altruist. Altruist does not supervise us, our advisors, our activities, or our regulatory compliance.

**Your brokerage and custody costs:** Altruist 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 Altruist account. Certain trades (for example, ETFs) may not incur Altruist

commissions or transaction fees. We seek to minimize or limit these fees when possible. You are responsible for the fees charged (if any) by Altruist for specific trades or changes to your accounts.

**Products and services available to us from Altruist:** Altruist serves independent investment advisory firms like us. They provide our clients and us with access to their institutional brokerage services (trading, custody, reporting and related services). Altruist also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business.

**Services that benefit you:** Altruist'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 Altruist include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

**Services that may not directly benefit you:** Altruist 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 make 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

### **The Custodian and Brokers We Use – Pershing LLC (formerly known as SSG, referred to herein as “Pershing”)**

Trail Financial may receive benefits from Pershing for research services to include reports, software, and institutional trading support. The receipt of additional benefits may give us an incentive to recommend that you maintain your account with Pershing based on our interest in receiving Pershing's services rather than your interest in receiving the best value and the most favorable execution of your transactions. This is a conflict of interest. We believe, however, that our selection of Pershing as custodian and broker is in the best interests of our clients. Our belief is primarily supported by the scope and quality of services Pershing provides to our clients and not services that benefit only us. Additionally, these benefits are offered to all investment advisers that use Pershing for brokerage and execution services and not just our firm. To mitigate the existence of this conflict, on a periodic basis, we conduct a review of the full range and quality of Pershing's services, including execution quality,

commission rate, the value of research provided, financial strength and responsiveness to our requests for trade data and other information.

Trail Financial understands its duty for best execution and considers all factors in recommending Pershing to Clients. These research services may be useful in servicing all clients and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While Trail Financial may not always obtain the lowest commission rate, Trail Financial believes the rate is reasonable in relation to the value of the brokerage and research services provided.

### **Other client-custodian relationships**

Clients may also direct us to use a specific custodian for the holding of assets, or a specific broker-dealer to execute transactions. By allowing clients to choose a specific custodian, we may be unable to achieve most favorable execution of client transaction and this may cost clients money over using a lower-cost custodian.

### **Aggregating (Block) Trading for Multiple Client Accounts**

Outside Managers used by Trail Financial may block client trades at their discretion. Their specific practices are further discussed in their ADV Part 2A, Item 12.

For investments managed by Trail Financial, we may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as “block trading”). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion, regarding particular circumstances and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

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

Investment Management client accounts will be reviewed regularly on a quarterly basis by an advisor from Trail Financial. During the regular review, the asset allocation, investment return, and transactions enacted in client accounts will be examined. In addition, reasonable client imposed restrictions will be reviewed to confirm that they are being enforced.

Clients will receive trade confirmations from the broker(s) for each transaction in their accounts as well as monthly or quarterly statements and annual tax reporting statements from their custodian showing all activity in the accounts, such as receipt of dividends and interest.

Trail Financial will provide written reports to Investment Management clients on a quarterly basis. We urge clients to compare these reports against the account statements they receive from their custodian.

## Item 14: Client Referrals and Other Compensation

---

We do not receive any economic benefit, directly or indirectly, from any third party for advice rendered to our clients. Nor do we, directly or indirectly, compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

---

Trail Financial Planning LLC can establish standing letters of authorization (“SLOA”) or other similar asset transfer authorization arrangements with qualified custodians for us to disburse funds to accounts as specifically designated by the client.

Trail Financial Planning LLC can establish a Standing Letter of Authorization or other similar asset transfer authorization arrangements (“SLOA”) with qualified custodians in order for us to disburse funds to accounts as specifically designated by the Client. The approximate dollar amount (\$46.5 million) and number of clients (65) included in Form ADV Part 1A, Item 9A are disclosed solely due to the ability to disburse funds to third parties pursuant to Standing Letters of Authorization (SLOA) executed by Clients. With a SLOA a Client can typically authorize first-party and/or third-party transfers. If transfers are third-party, Trail Financial Planning LLC complies with each of the requirements and conditions enumerated below:

1. The Client provides an instruction to the qualified custodian, in writing, that includes the Client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
2. The Client authorizes Trail Financial Planning LLC, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.

3. The Client's qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the Client's authorization, and provides a transfer of funds notice to the Client promptly after each transfer.
4. The Client has the ability to terminate or change the instruction to the Client's qualified custodian.
5. Trail Financial Planning LLC has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the Client's instruction.
6. Trail Financial Planning LLC maintains records showing that the third party is not a related party of Trail Financial Planning LLC or located at the same address as Trail Financial Planning LLC.
7. The Client's qualified custodian sends the Client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

For client accounts in which Trail Financial directly debits their advisory fee:

- i. Trail Financial will send a copy of its invoice to the custodian at the same time that it sends the client a copy.
- ii. The custodian will send at least quarterly statements to the client showing all disbursements for the account, including the amount of the advisory fee.
- iii. The client will provide written authorization to Trail Financial, permitting them to be paid directly for their accounts held by the custodian.

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains Client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements or reports that we may provide to you. Our statements or reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

The Advisor is not affiliated with the custodian. The custodian does not supervise the advisor, its agents or activities.

## Item 16: Investment Discretion

---

For client accounts where we provide Investment Management services, Trail Financial has discretionary authority and limited power of attorney to determine the securities and the amount of securities to be bought or sold for a client's account without having to obtain prior client approval for each transaction. Investment discretion is explained to clients in detail when an advisory relationship has commenced. At the start of the advisory relationship, the client will execute a Limited Power of Attorney, which will grant our firm discretion over the account(s). Additionally, the discretionary

relationship will be outlined in the Advisory Agreement and signed by the client. Clients may limit our discretion by requesting certain restrictions on investments. However, approval of such requests are at the firm's sole discretion.

If Trail Financial has engaged an Outside Manager to assist with the management of the client's portfolio, Trail Financial has the discretion to direct the Outside Manager to buy or sell securities for the client's portfolio without obtaining prior client approval for each transaction.

In limited cases, we may allow for a non-discretionary arrangement with our firm in which we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17: Voting Client Securities

---

If your account is actively managed, you may own some securities directly, like corporate stocks. One of the rights of stock ownership is to vote on company issues, similar to a right of a citizen is to vote on matters of leadership and policy within one's country. A request for you to vote, as a shareholder of a private company is called a "proxy."

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

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward you any electronic solicitation to vote proxies.

## Item 18: Financial Information

---

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about our financial condition. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients, and we have not been the subject of a bankruptcy proceeding.

We do not have custody of client funds or securities or require or solicit prepayment of more than \$1,200 in fees per client six months or more in advance.