

Traphagen Investment Advisors LLC
Form CRS - A Summary of Our Advisory Relationship

June 1, 2020

Is an Investment Advisory Account Right for You?

- There are different ways you can get help with your investments. You should carefully consider which types of accounts and services are right for you.
- **We are an investment advisor and provide advisory accounts and services rather than brokerage accounts and services.** This document gives you a summary of the types of services we provide and how you pay. Please ask us for more information. There are some suggested questions on page 4.
- Traphagen Investment Advisors LLC is registered with the Securities and Exchange Commission as an Investment Advisor

Relationships and Services

- If you open an advisory account, you will pay an on-going **asset-based fee** at the end of each quarter for our services, based on the value of the account on the last day of the quarter.
- We will offer you advice on a regular basis. We will discuss your investment goals, design a strategy with you to achieve your investment goals, and regularly monitor your account. We will contact you (by phone or e-mail) at least annually to discuss your portfolio.
- We will assist you in opening an account that allows us to buy and sell investments in your account without asking you in advance (a “**discretionary account**”), or we may give you advice if requested and you decide what investments to buy and sell (a “**non-discretionary account**”).
- Our investment advice will cover a diverse selection of investments, however other firms may provide advice on a different range of choices.

Our Obligations to You

- *We must abide by certain laws and regulations in our interactions with you.*
- We are held to a fiduciary standard that covers our entire investment advisory relationship with you. For example, we are required to monitor your portfolio, investment strategy, and investments on an ongoing basis.

- Our interests can conflict with your interests. We must eliminate these conflicts or tell you about them in a way you can understand, so that you can decide whether or not to agree to them.

Fees and Costs

- *Fees and costs affect the value of your account over time. Please ask your financial professional to give you personalized information on the fees and costs that you will pay.*
- The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your account and will be deducted from your account quarterly in arrears.
- Some investments (such as mutual funds) may impose additional fees that will reduce the value of your investment over time.
- Our fees may vary or be negotiable. The amount you pay will depend, for example, on the amount of assets in your account.
- You may pay a transaction fee when we buy or sell an investment for you. The account custodian (Fidelity or Schwab) may also assess an account close out fee.
- The more assets you have in the advisory account, including cash, the more you will pay us. We therefore have an incentive to increase the assets in your account in order to increase our fees. You pay our fee quarterly even if you do not buy or sell.

Compare with Typical Brokerage Accounts

- You could also open a brokerage account with a **broker-dealer**, where you will pay a **transaction-based fee**, generally referred to as a commission, when the broker-dealer buys or sells an investment for you. Features of a typical brokerage account include:
 - With a broker-dealer, you may select investments, or the broker-dealer may recommend investments for your account, but the ultimate decision for your investment strategy and the purchase and sale of investments will be yours.
 - A broker-dealer must act in your best interest and not place its interests ahead of yours when the broker-dealer recommends an investment or an investment strategy involving securities. When a broker-dealer provides any service to you, the broker-dealer must treat you fairly and comply with a number of specific obligations. Unless you and the broker-dealer agree otherwise, the broker-dealer is not required to monitor your portfolio or investments on an ongoing basis.

- If you were to pay a transaction-based fee in a brokerage account, the more trades in your account, the more fees the broker-dealer charges you. Therefore, there is an incentive to encourage you to trade often.
- You can receive advice in either type of account, but you may prefer paying:

a **transaction-based fee** from a cost perspective, if you do not trade often or if you plan to buy and hold investments for longer periods of time

An **asset-based fee** if you want continuing advice or want someone to make investment decisions for you, even though it may cost more than a transaction-based fee

Conflicts of Interest

- *We benefit from the advisory services we provide to you.*
- Because our Code of Ethics in some circumstances would permit our employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Code of Ethics, to reasonably prevent conflicts of interest between Traphagen Investment Advisors LLC and its clients.
- It is Traphagen Investment Advisors LLC’s policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Traphagen Investment Advisors LLC will also not cross trades between client accounts.

Additional Information

- *We encourage you to seek additional information.*
- Traphagen Investment Advisors LLC has not been the subject of any disciplinary actions. Visit Investor.gov for a free and simple search to research our firm and our financial professionals.
- For additional information on our advisory services, see our Form ADV brochure on IAPD on Investor.gov or on our website <https://tfgllc.com/media-center/client-tools-forms-and-brochures>. You can also locate this information on the following link: <https://adviserinfo.sec.gov/>
- To report a problem to the SEC, visit Investor.gov or call the SEC’s toll-free investor assistance line at (800) 732-0330. If you have a problem with your investments,

account or financial professional, contact us in writing at 234 Kinderkamack Road, Oradell, NJ 07649 Attn: V. Peter Traphagen Jr, CPA, PFS, AEP, CFP.

Key Questions to Ask

- *Ask our financial professionals these key questions about our investment services and accounts.*
 - Given my financial situation, why should I choose an advisory account?
 - Do the math for me. How much would I pay per year for an advisory account? What would make those fees more or less? What services will I receive for those fees?
 - What additional costs should I expect in connection with my account?
 - Tell me how you and your firm make money in connection with my account. Do you or your firm receive any payments from anyone besides me in connection with my investments?
 - How will you choose the investments to recommend for my account?
 - How often will you monitor my account's performance and offer investment advice?
 - Do you or your firm have a disciplinary history? For what type of conduct?
 - What is your relevant experience, including your licenses, education, and other qualifications? Please explain what the abbreviations in your licenses are and what they mean.
 - Who is the primary contact person for my account? What can you tell me about his or her legal obligations to me? If I have concerns about how this person is treating me, who can I talk to?
 - What is a custodian, and what firm would be the custodian of my funds? Would I contact them or you for my service or investing needs?