



# A. Duncan Investment Advisory

Financial Planning | Investment Management

## FIRM BROCHURE

Form ADV Part 2A & 2B

This brochure provides information about the qualifications and business practices of A. Duncan Investment Advisory, LLC. If you have any questions about the contents of this brochure, please contact us at (720) 249-9154 or by email at: [aaron@aduncanadvisor.com](mailto:aaron@aduncanadvisor.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.

Additional information about A. Duncan Investment Advisory, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). A. Duncan Investment Advisory, LLC's CRD number is: 284450.

Registration as an investment adviser does not imply a certain level of skill or training.

Version Date: 08/31/2022



## Item 2: Material Changes

Material Changes 08/31/22:

Removed Altruist Financial, LLC as a custodial option

Updated Fee schedule to clarify tiered fee breakpoints

Updated financial planning descriptions

Updated fees and compensation

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## Item 4: Advisory Business

A. Duncan Investment Advisory, LLC (hereinafter "ADIA") is a Limited Liability Company. The firm was formed in May 2016 and became registered as an investment adviser in August 2016. The principal owner is Aaron Duncan. ADIA provides Financial Planning and discretionary portfolio management services.

### Financial Planning

Financial planning services may include, but are not limited to:

Personal financial planning: goal identification, behavioral analysis, risk tolerance assessment, cash flow analysis, net worth calculations, savings rate recommendations, accounts inventory, debt management techniques, employee benefits review, and real estate/mortgages review.

Insurance planning and risk management: life, long-term care, and disability insurance needs analysis, current policy analysis, alternative options identification, and analyzing related investment components.

Education planning: educational cost forecasting, required savings rates, optimal asset allocation, and alternative funding considerations.

Investment planning: asset allocation, optimizing asset locations, security analysis, strategies for concentrated positions, optimizing tax efficiency, risk-profiling, identifying goals and investment time horizons.

Retirement planning: tax efficiency of investments, safe withdrawal rates, health and long-term care planning, social security timing and optimization, budget analysis, retirement income alternatives, and income stress testing.

Estate planning: document coordination and updating, beneficiary designations, wealth distribution options, and recommendations to estate planning professionals.

### Portfolio Management Services

ADIA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. ADIA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels). Portfolio management services include, but are not limited to, the following:

Determining investment strategy, tailoring a personal investment policy, asset allocation, security selection, risk tolerance assessment, and regular portfolio monitoring.

ADIA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

ADIA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of ADIA's economic, investment or other financial interests. To meet its fiduciary obligations, ADIA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, ADIA's policy is to seek fair and equitable allocation of investment opportunities/ transactions among its clients to avoid favoring one client over another over time. It is ADIA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

ADIA generally limits its investment advice to mutual funds, fixed income securities, equities, ETFs or non-U.S. securities. ADIA may use other securities as well to help diversify a portfolio when applicable.

ADIA offers the same suite of services to all of its clients. However, specific client investment strategies and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels). Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs, which restrictions will be documented in the Investment Policy Statement. However, if the restrictions prevent ADIA from properly servicing the client account, or if the restrictions would require ADIA to deviate from its standard suite of services, ADIA reserves the right to end the relationship.

### ADIA has the following assets under management:

Discretionary amount- \$1,300,000

Non-discretionary amount- \$0

Date calculated- Aug. 2022

# Item 5: Fees and Compensation

## Portfolio Management Fees

### Asset-Based Fees for Shareholders Service Group

Assets Under Management	Annual Fees
\$0 - \$250,000	.75%
\$250,001 - \$500,000	.65%
\$500,001 and up	.50%

ADIA uses an average of the daily balance of business days in the client's account throughout the billing period for purposes of determining the market value of the assets upon which the advisory fee is based.

Fees are paid quarterly in arrears at Shareholders Service Group. Portfolio management fees are withdrawn directly from the client's accounts with client's written authorization. For fees deducted directly from client accounts, in states that require it, ADIA 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 quarterly 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 Contract. Clients may terminate the agreement without penalty for a full refund of ADIA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract generally with 14 days' written notice. For contracts terminated mid-month, clients will be responsible for paying the prorated advisory fee (earned but unpaid), which will be equal to the daily rate\* times the number of business days in the month up to and including the effective date of termination. (\*The daily rate is calculated by dividing the annual asset-based fee by 252.)

## Financial Planning Fees

### Hourly Fees

The hourly fee for financial planning services is \$200. Hourly fees are paid in arrears upon completion of services. An estimate of hours required to complete the planning services will be presented to clients prior to commencement of services, as set forth in the completed Financial Planning Agreement. For financial planning agreements terminated prior to completion, clients will be responsible for paying the earned but unpaid advisory fee based upon the hourly rate and the number of hours worked.

### Fixed Fees

In some circumstances, a fixed rate for financial planning may be negotiated based on the scope of services provided. Fixed financial planning fees are paid in arrears upon delivery of services. For financial planning contracts terminated prior to completion, clients will be responsible for paying the earned but unpaid advisory fee based upon the prorated amount of work completed.

Financial planning fees are paid via check, ACH, or wire. These fees are generally negotiable and the final fee schedule is attached as Exhibit II of the Financial Planning Agreement. Clients may terminate the agreement without penalty for a full refund of ADIA's fees within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally with written notice.

### Third Party Fees & Compensation

Clients are responsible for the payment of all third party fees - e.g., commissions, custodian fees, brokerage fees, ETF fees, mutual fund fees (such as management fees, marketing fees, distribution expenses, redemption fees...), transaction fees, etc. Those fees are separate and distinct from the fees and expenses charged by ADIA. Please see Item 12 of this brochure regarding brokerage practices.

Neither ADIA 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

ADIA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

ADIA generally provides advisory services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Small Businesses

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

## Methods of Analysis

ADIA's methods of analysis include Fundamental analysis, Modern portfolio theory or Quantitative analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset. Modern portfolio theory assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on. Quantitative analysis Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

## Investment Strategies

ADIA takes a long term approach to investing. Long term investing is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## Risks of Specific Securities Utilized

Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity investment** generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.



Fixed income investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counter-parties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

Exchange Traded Funds (ETFs): An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance.

Non-U.S. securities- present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## Item 9: Disciplinary Information

There are no criminal, civil, administrative, or self-regulatory organization proceedings to report.

## Item 10: Other Financial Industry Activities and Affiliations

Neither ADIA nor its representatives are registered as, or have pending applications to become, a broker/dealer or a representative of a broker/dealer.

Neither ADIA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

Neither ADIA nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

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

ADIA has a written Code of Ethics that covers the following areas:

- Prohibited Purchases and Sales
- Compliance Procedures
- Insider Trading
- Personal Securities Transactions
- Exempted Transactions
- Prohibited Activities
- Conflicts of Interest
- Gifts and Entertainment
- Confidentiality
- Service on a Board of Directors
- Compliance with Laws and Regulations
- Procedures and Reporting
- Certification of Compliance
- Reporting Violations
- Compliance Officer Duties
- Training and Education
- Recordkeeping
- Annual Review
- Sanctions

From time to time, representatives of ADIA may buy or sell securities for themselves that they also recommend to clients at or around the same time as clients. This may provide an opportunity for representatives of ADIA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions create a conflict of interest. ADIA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

ADIA will do everything to mitigate conflicts of interest by (i) disclosing to the client any conflict of interest and (ii) always acting in the best interest of the client consistent with its fiduciary duty. ALL PROSPECTIVE AND CURRENT CLIENTS HAVE A RIGHT TO SEE THIS CODE OF ETHICS. FOR A COPY OF THE CODE OF ETHICS, PLEASE ASK US AT ANY TIME.

ADIA does not recommend that clients buy or sell any security in which a related person to ADIA or ADIA has a material financial interest.

## Item 12: Brokerage Practices

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

Custodians/broker-dealers will be recommended based on ADIA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent. ADIA will require clients use Shareholders Service Group, Inc. for brokerage and custody services.

ADIA is not affiliated with any brokerage firm. Brokerage firms do not supervise the advisor, its agents or activities.

### Research and Other Soft-Dollar Benefits

Disclosure: Although not a material consideration when determining whether to recommend a particular broker-dealer/custodian, ADIA may have access to research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft dollar benefits") consistent with the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. ADIA benefits by not having to produce or pay for the research, products or services, would have an incentive to recommend a custodian or broker-dealer based on receiving research or services, and this would constitute a conflict of interest.

Mitigation: However, this conflict is mitigated because ADIA does not utilize the soft dollar benefits offered by its recommended broker-dealer/custodian, does not recommend the broker-dealer/custodian on the basis of access to soft dollar benefits, and will always act in the best interest of its clients, including in connection with selecting custodians and/or broker-dealers. ADIA's clients do not pay more for investment transactions effected and/or assets maintained with Shareholders Service Group, Inc. as a result of this arrangement. There is no corresponding commitment made by us to any entity to invest a specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as result of the above arrangement.

#### Brokerage for Client Referrals

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

ADIA will require clients to use Shareholders Service Group, Inc. broker-dealers to execute transactions. Not all advisers require clients to use a particular broker-dealer.

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

If ADIA buys or sells the same securities on behalf of more than one client, then it may (but would be 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, or more efficient execution. In such case, ADIA 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. ADIA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## Item 13: Review of Accounts

All client accounts for ADIA's advisory services provided on an ongoing basis are reviewed at least monthly by Aaron A Duncan, Owner, with regard to clients' respective investment policies and risk tolerance levels. All accounts at ADIA are assigned to this reviewer. Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance). Each client will receive a monthly invoice from the custodian.

Each financial planning client will receive the written financial plan or work product upon completion.

There is only one level of review for financial planning –creation of the plan or work product– and ADIA's services will generally conclude upon delivery of the financial plan or work product. Financial plans and/or planning services are prepared by Aaron A Duncan, Owner.

## Item 14: Client Referrals and Other Compensation

ADIA does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ADIA's clients.

ADIA does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

## Item 15: Custody

When advisory fees are deducted directly from client accounts at client's custodian, ADIA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so.

Please see Item 5 above for additional description. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

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

## Item 16: Investment Discretion

ADIA provides discretionary investment advisory services to clients. The Investment Advisory Contract established with each client sets forth the discretionary authority for trading.

ADIA manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share.

In some instances, ADIA's discretionary authority in making these determinations may be limited by conditions imposed by a client in investment guidelines or objectives, or client instructions otherwise provided to ADIA.

## Item 17: Voting Client Securities (Proxy Voting)

ADIA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## Item 18: Financial Information

ADIA neither requires nor solicits prepayment of more than \$500 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

Neither ADIA nor its management has any financial condition that is likely to reasonably impair ADIA's ability to meet contractual commitments to clients and ADIA has not been the subject of a bankruptcy petition.

## Item 19: Requirements For State Registered Advisers

ADIA currently has only one management person: Aaron Antonio Duncan. Education and business background can be found on the individual's Form ADV Part 2B brochure supplement.

There are no other business activities to disclose.

There are no civil, self-regulatory organization, or arbitration proceedings to report under this section.

Neither ADIA, nor its management persons, has any relationship or arrangement with issuers of securities.



# A. Duncan Investment Advisory

Financial Planning | Investment Management

## BROCHURE SUPPLEMENT

Form ADV Part 2B

This brochure supplement provides information about Aaron Antonio Duncan that supplements the A. Duncan Investment Advisory, LLC brochure. You should have received a copy of that brochure. Please contact Aaron Antonio Duncan if you did not receive A. Duncan Investment Advisory, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Aaron Antonio Duncan is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Aaron Antonio Duncan  
Personal CRD Number: 6677177  
Investment Adviser Representative

# Item 2: Educational Background and Business Experience

**Name:** Aaron Antonio Duncan

**Born:** 1980

## Educational Background and Professional Designations:

### Education:

Masters of Business Administration, University of Colorado - Denver - 2014

Bachelor of Arts Political Science, University of Colorado - Colorado Springs - 2010

### Business Background:

05/2016 - Present

A. Duncan Investment Advisory, LLC

Owner

07/2013 – 05/2016

Parsons

Technical Writer

02/2012 - 07/2013

System One

Printing and Imaging Coordinator

## Item 3: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business.

## Item 4: Other Business Activities

Aaron Antonio Duncan is not engaged in any investment-related business or occupation (other than this advisory firm).

## Item 5: Additional Compensation

Aaron Antonio Duncan does not receive any economic benefit from any person, company, or organization, other than A. Duncan Investment Advisory, LLC in exchange for providing clients advisory services through A. Duncan Investment Advisory, LLC.

## Item 6: Supervision

As the Chief Compliance Officer of A. Duncan Investment Advisory, LLC, Aaron Antonio Duncan supervises all activities of the firm. Aaron Antonio Duncan's contact information is on the cover page of this disclosure document. Aaron Antonio Duncan adheres to applicable regulatory requirements, together with all policies and procedures outlined in the firm's code of ethics and compliance manual.

## Item 7: Requirements For State Registered Advisers

This disclosure is required by state securities authorities and is provided for your use in evaluating this investment advisor representative's suitability.

There are no disciplinary matters to report. Aaron Antonio Duncan has NOT been the subject of a bankruptcy petition in the past ten years.



