

Disclosure Brochure

February 17, 2012

Ryan Poage & Co.

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Ryan Poage & Co. (hereinafter "RP&C"). If you have any questions about the contents of this brochure, please contact Ryan Y. Poage at (816) 531-4555. 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 Ryan Poage & Co. is available on the SEC's website at www.adviserinfo.sec.gov.

Ryan Poage & Co. is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

There have been no material changes to our brochure since our last brochure dated August 24, 2011.

Item 3. Table of Contents

Firm Disclosure Brochure

| | |
|---|-----|
| Item 1. Cover Page..... | i |
| Item 2. Material Changes | ii |
| Item 3. Table of Contents | iii |
| Item 4. Advisory Business | 4 |
| Item 5. Fees and Compensation | 6 |
| Item 6. Performance-Based Fees and Side-by-Side Management | 9 |
| Item 7. Types of Clients..... | 10 |
| Item 8. Methods of Analysis, Investment Strategies and Risk of Loss | 11 |
| Item 9. Disciplinary Information | 14 |
| Item 10. Other Financial Industry Activities and Affiliations | 15 |
| Item 11. Code of Ethics | 16 |
| Item 12. Brokerage Practices | 17 |
| Item 13. Review of Accounts..... | 20 |
| Item 14. Client Referrals and Other Compensation | 21 |
| Item 15. Custody | 22 |
| Item 16. Investment Discretion | 23 |
| Item 17. Voting Client Securities | 24 |
| Item 18. Financial Information | 25 |

Supervised Person Brochure Supplement(s)

Item 4. Advisory Business

RP&C manages investments and provides the full spectrum of financial planning and wealth management services. RP&C manages money with the goal of avoiding the majority of the decline of bear markets while participating in the majority of the upside of bull markets. This goal has been established due to RP&C's belief that the majority of investors simply want to earn decent returns during good economic times, and not lose too much during poor economic times. RP&C's investment goal is pursued through the implementation of investment programs focused on fundamentally-based value themes and a non-emotional, rules-based rebalancing approach.

RP&C provides financial planning, consulting, and investment management services. Prior to engaging RP&C to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with RP&C setting forth the terms and conditions under which RP&C renders its services (collectively the "*Agreement*").

RP&C has been in business since July 2007, and previously operated as a wealth management firm with associates that were affiliated with a separate broker-dealer and registered investment adviser firm. RP&C has been an SEC registered investment adviser since April 2011. Ryan Y. Poage is the principal owner of RP&C. RP&C has \$28,683,389 of assets under management on a discretionary basis and \$45,897 on a nondiscretionary basis as of February 17, 2012.

This Disclosure Brochure describes the business of RP&C. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of RP&C's officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on RP&C's behalf and is subject to RP&C's supervision or control.

Financial Planning and Consulting Services

RP&C may provide its clients with a broad range of comprehensive financial planning and consulting services. RP&C's financial planning process consists of reviewing a client's current financial situation and future goals, and recommending strategies to help achieve these goals. Portfolio composition, cash flows, taxes, estate planning circumstances, education funding, retirement income needs, charitable gifting, and family legacy desires are all taken into account for crafting financial plans. These services may be included as part of RP&C's wealth management services, described below.

In performing its services, RP&C is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. RP&C may recommend the services of itself, its *Supervised Persons* in their individual capacities as registered representatives of a broker-dealer, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if RP&C recommends its own services. The client is under no obligation to act upon any of the recommendations made by RP&C under

a financial planning or consulting engagement or to engage the services of any such recommended professional, including RP&C itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of RP&C's recommendations. Clients are advised that it remains their responsibility to promptly notify RP&C if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising RP&C's previous recommendations and/or services.

Investment Management Services

Clients can engage RP&C to manage all or a portion of their assets primarily on a discretionary basis. These investment management services may also include basic financial planning services, as needed.

RP&C primarily allocates clients' investment management assets among mutual funds, exchange-traded funds ("ETFs"), individual debt and equity securities and/or options as well as the securities components of variable annuities and variable life insurance contracts in accordance with the investment objectives of the client. RP&C also provides advice about any type of investment held in clients' portfolios.

RP&C also may render non-discretionary investment management services to clients relative to variable life/annuity products that they may own, their individual employer-sponsored retirement plans, and/or 529 plans or other products that may not be held by the client's primary custodian. In so doing, RP&C either directs or recommends the allocation of client assets among the various investment options that are available with the product. Client assets are maintained at the specific insurance company or custodian designated by the product.

RP&C tailors its advisory services to the individual needs of clients. RP&C consults with clients initially and on an ongoing basis to determine risk tolerance, time horizon and other factors that may impact the clients' investment needs. RP&C ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify RP&C if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon RP&C's management services. Clients may request reasonable restrictions or mandates on the management of their account (e.g., require that a portion of their assets be invested in socially responsible funds) if, in RP&C's sole discretion, the conditions will not materially impact the performance of a portfolio strategy or prove overly burdensome to its management efforts.

Item 5. Fees and Compensation

RP&C offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management. Additionally, certain of RP&C's *Supervised Persons*, in their individual capacities, may offer securities brokerage services and insurance products under a commission arrangement.

Financial Planning and Consulting Fees

RP&C charges a fixed fee for financial planning and consulting services. These fees generally range from \$250 to \$1,000, but can be as much as \$15,000, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services.

Prior to engaging RP&C to provide financial planning and/or consulting services, the client is required to enter into a written agreement with RP&C setting forth the terms and conditions of the engagement. Generally, RP&C requires one-half of the financial planning/consulting fee payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

Investment Management Fee

RP&C provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by RP&C. For those interested clients, these investment management services include basic financial planning services. More extensive financial planning services are provided separately and subject to the fees and conditions described in Items 4 and 5 above.

RP&C's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. RP&C does not, however, receive any portion of these commissions, fees, and costs. RP&C's annual fee is prorated and charged monthly, in advance, based upon the market value of the assets being managed by RP&C on the last day of the previous month.

The firm's fees for investment management services vary depending on the complexity of a client's circumstances, services provided, and the nature and total dollar value of assets managed for the client. The maximum annualized management fee is determined on a case-by-case basis according to these criteria, among others, but may not exceed 2.25%.

Fees Charged by Financial Institutions

As further discussed in response to Item 12 (below), RP&C generally recommends that clients utilize the brokerage and custody services of TD Ameritrade Institutional, a division of TD Ameritrade, Inc. ("TD Ameritrade") for investment management accounts. RP&C participates in the institutional customer

program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA. *TD Ameritrade* offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. RP&C receives some benefits from *TD Ameritrade* through its participation in the program.

RP&C may only implement its investment management recommendations after the client has arranged for and furnished RP&C with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *TD Ameritrade*, any other broker-dealer recommended by RP&C, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), 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. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to RP&C's fee.

RP&C's *Agreement* and the separate agreement with any *Financial Institutions* generally authorize RP&C to debit the client's account for the amount of RP&C's fee and to directly remit that management fee to RP&C. Any *Financial Institutions* recommended by RP&C have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to RP&C.

Fees for Management During Partial Months of Service

For the initial period of investment management services, the fees are calculated on a *pro rata* basis.

The *Agreement* between RP&C and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. RP&C's fees are prorated through the date of termination and any remaining balance is charged or refunded to the client, as appropriate.

Clients may make additions to and withdrawals from their account at any time, subject to RP&C's right to terminate an account. Additions may be in cash or securities provided that RP&C reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to RP&C, subject to the usual and customary securities settlement procedures. However, RP&C designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. RP&C may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (e.g. contingent deferred sales charge) and/or tax ramifications.

If assets are deposited into or withdrawn from an account after the inception of a month, the fee payable with respect to such assets will not be adjusted or prorated based on the number of days remaining in the month.

Commissions or Sales Charges for Recommendations of Securities

Clients can engage certain persons associated with RP&C (but not RP&C) to render securities brokerage services under a commission arrangement. Clients are under no obligation to engage such persons and may choose brokers or agents not affiliated with RP&C. Under this arrangement, clients may implement securities transactions through certain of RP&C's *Supervised Persons* in their respective individual capacities as registered representatives of Purshe Kaplan Sterling Investments ("PKS"), an SEC registered broker-dealer and member of FINRA. PKS may charge brokerage commissions to effect these securities transactions and thereafter, a portion of these commissions may be paid by PKS to such *Supervised Persons*. Prior to effecting any transactions clients are required to enter into a new account agreement with PKS. The brokerage commissions charged by PKS may be higher or lower than those charged by other broker-dealers. In addition, certain of RP&C's *Supervised Persons* may also receive ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that the client maintains the mutual fund investment. RP&C does not charge an advisory fee on the same assets for which its *Supervised Persons* receive commissions.

A conflict of interest exists to the extent that RP&C recommends the purchase of securities where RP&C's *Supervised Persons* receive commissions or other additional compensation as a result of RP&C's recommendations. RP&C has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of clients.

For accounts covered by ERISA (and such others that RP&C, in its sole discretion deems appropriate), RP&C provides its investment advisory services on a fee-offset basis. In this scenario, RP&C may offset its fees by an amount equal to the aggregate commissions and 12b-1 fees earned by RP&C's *Supervised Persons* in their individual capacities as registered representatives of PKS.

RP&C's *Supervised Persons* currently devote approximately 10% of their time to commission securities brokerage business.

Item 6. Performance-Based Fees and Side-by-Side Management

RP&C does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

RP&C provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Minimum Fees or Account Size

RP&C generally requires a minimum portfolio size of \$100,000 but does not charge a minimum annual fee. In its sole discretion, RP&C may accept clients with smaller portfolios based upon certain criteria, including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities. The firm only accepts clients with less than the minimum portfolio size if, in its the sole opinion, the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. RP&C may aggregate the portfolios of family members to meet the minimum portfolio size.

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

Methods of Analysis

RP&C primarily employs *Fundamental* and *Trend Following* methods of investment analysis.

Fundamental analysis involves the fundamental financial condition and competitive position of a company. RP&C will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Trend Following is an investment strategy that makes buy and sell decisions by following up and down trends in various markets. This approach to investing is reactive and does not try to predict market directions or price levels. Trend followers assume that investor behavior influences trading in a way that enables long term up and down trends to occur.

Investment Strategies

RP&C's fundamentally-driven strategic asset allocation approach seeks to invest in areas that appear to be undervalued and temporarily mispriced by the marketplace. The asset allocation mix is broad, in an attempt to invest in complementary categories that exhibit low correlations to one another. An additional focus is to invest in securities that provide annual dividend and interest yields. This focus is an effort to produce income in order to cover a portion of a typical client's withdrawals made to supplement retirement income.

RP&C's Global Macro Trend Following ("GMTF") Program is a proprietary, quantitative trend following strategy that seeks to provide equity exposure during the bulk of long-term bull markets, while removing equity exposure during the bulk of long-term bear markets. Rather than blindly holding investments while the prices decline through a long-term down cycle, the GMTF Program uses mathematical rebalancing calculations to remove exposure from investments that are in decline and to add exposure to investments that are appreciating. Long-term moving averages of the market, among other variables, as opposed to opinions and predictions, are used to make these rebalancing decisions. As opposed to the futile attempt of trying to time the market by predicting its direction, trend following follows the market's lead and does not go against the grain. Not all time periods are good for the market. When it mathematically appears that the market has entered a longer-term period of decline, the GMTF Program moves money to cash. Once it mathematically appears that the trend has reversed course and entered a longer-term positive trend, the Program reinvests the cash that was "on the sidelines." This process is continuously repeated without emotion or second-guessing.

Risks of Loss

Mutual Funds and Exchange Traded Funds (ETFs)

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed-based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their pro rata NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 50,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Market Risks

The profitability of a significant portion of RP&C's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that RP&C will be able to predict those price movements accurately.

Management Through Similarly Managed Accounts

For certain clients, RP&C may manage portfolios by allocating portfolio assets among various mutual funds/securities on a discretionary basis using one or more of its proprietary investment strategies (collectively referred to as "*investment strategy*"). In so doing, RP&C buys, sells, exchanges and/or transfers shares of mutual funds / securities based upon the *investment strategy*.

RP&C's management using the *investment strategy* complies with the requirements of Rule 3a-4 of the Investment Company Act of 1940, as amended. Rule 3a-4 provides similarly managed accounts, such as the *investment strategy*, with a safe harbor from the definition of an investment company.

The *investment strategy* may involve an above-average portfolio turnover that could negatively impact upon the net after-tax gain experienced by an individual client. Securities in the *investment strategy* are

usually exchanged and/or transferred without regard to a client's individual tax ramifications. Certain investment opportunities that become available to RP&C's clients may be limited. As further discussed in response to Item 12B (below), RP&C allocates investment opportunities among its clients on a fair and equitable basis.

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

Item 9. Disciplinary Information

RP&C is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. RP&C does not have any required disclosures to this Item.

Item 10. Other Financial Industry Activities and Affiliations

RP&C is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. RP&C has described such relationships and arrangements below.

Receipt of Insurance Commission

Certain of RP&C's *Supervised Persons*, in their individual capacities, are also licensed insurance agents with various insurance companies, and in such capacity, may recommend, on a fully-disclosed commission basis, the purchase of certain insurance products. While RP&C does not sell such insurance products to its investment advisory clients, RP&C does permit its *Supervised Persons*, in their individual capacities as licensed insurance agents, to sell insurance products to its investment advisory clients. A conflict of interest exists to the extent that RP&C recommends the purchase of insurance products where RP&C's *Supervised Persons* receive insurance commissions or other additional compensation. RP&C's *Supervised Persons* currently devote approximately 1% of their time to insurance sales.

Registered Representatives of Broker Dealer

As discussed above in Item 5, certain of RP&C's *Supervised Persons* are registered representatives of *PKS*.

Item 11. Code of Ethics

RP&C and persons associated with RP&C ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with RP&C's policies and procedures.

RP&C has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Investment Advisers Act of 1940 (the "Advisers Act"), its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by RP&C or any of its associated persons. The *Code of Ethics* also requires that certain of RP&C's personnel (called "*Access Persons*") report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings.

Unless specifically permitted in RP&C's *Code of Ethics*, none of RP&C's *Access Persons* may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the *Access Person*) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of RP&C's clients.

When RP&C is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when RP&C is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact RP&C to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

As discussed above, in Item 5, RP&C generally recommends that clients utilize the brokerage and custody services of *TD Ameritrade*.

Factors which RP&C considers in recommending *TD Ameritrade* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *TD Ameritrade* enables RP&C to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *TD Ameritrade* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by RP&C's clients comply with RP&C's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where RP&C determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. RP&C seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

RP&C periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct RP&C in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and RP&C will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by RP&C (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, RP&C may decline a client's request to direct brokerage if, in RP&C's sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless RP&C decides to purchase or sell the same securities for several clients at approximately the same time. RP&C may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among RP&C's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently.

Under this procedure, transactions will generally be averaged as to price and allocated among RP&C's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that RP&C determines to aggregate client orders for the purchase or sale of securities, including securities in which RP&C's *Supervised Persons* may invest, RP&C generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. RP&C does not receive any additional compensation or remuneration as a result of the aggregation. In the event that RP&C determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, RP&C may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist RP&C in its investment decision-making process. Such research generally will be used to service all of RP&C's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because RP&C does not have to produce or pay for the products or services.

Commissions or Sales Charges for Recommendations of Securities

As discussed above, certain *Supervised Persons* in their respective individual capacities, are registered representatives of *PKS*. These *Supervised Persons* are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless *PKS* provides written consent. Therefore, clients are advised that certain *Supervised Persons* may be restricted to conducting securities transactions through *PKS* unless they first secure written consent from *PKS* to execute securities transactions through a different broker-dealer. Absent such written consent or separation from *PKS*, these *Supervised Persons* are prohibited from executing securities transactions through any broker-dealer other than *PKS* under *PKS*' internal supervisory policies. RP&C is cognizant of

its duty to obtain best execution and has implemented policies and procedures reasonably designed in such pursuit.

Software and Support Provided by Financial Institutions

RP&C may receive from *TD Ameritrade*, without cost to RP&C, computer software and related systems support, which allow RP&C to better monitor client accounts maintained at *TD Ameritrade*. RP&C may receive the software and related support without cost because RP&C renders investment management services to clients that maintain assets at *TD Ameritrade*. The software and related systems support may benefit RP&C, but not its clients directly. In fulfilling its duties to its clients, RP&C endeavors at all times to put the interests of its clients first. Clients should be aware, however, that RP&C's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence RP&C's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

There is no direct link between RP&C's participation in the program and the investment advice it gives to its clients, although RP&C receives economic benefits through its participation in the program that are typically not available to *TD Ameritrade* retail investors. Additionally, RP&C may receive the following benefits from *TD Ameritrade* through its registered investment adviser division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Adviser participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

These products or services may assist RP&C in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help RP&C manage and further develop its business enterprise. The benefits received by RP&C's participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. Clients should be aware, however, that the receipt of economic benefits by RP&C or its related persons in and of itself creates a potential conflict of interest and may indirectly influence RP&C's recommendation of *TD Ameritrade* for custody and brokerage services.

Item 13. Review of Accounts

For those clients to whom RP&C provides investment management services, RP&C monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom RP&C provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of RP&C’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with RP&C and to keep RP&C informed of any changes thereto. Generally, RP&C contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts.

Those clients to whom RP&C provides financial planning and/or consulting services will receive reports from RP&C summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by RP&C.

Item 14. Client Referrals and Other Compensation

RP&C is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, RP&C is required to disclose any direct or indirect compensation that it provides for client referrals. RP&C does not have any required disclosures to this Item.

Item 15. Custody

RP&C's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize RP&C through such *Financial Institution* to debit the client's account for the amount of RP&C's fee and to directly remit that management fee to RP&C in accordance with applicable custody rules.

The *Financial Institutions* recommended by RP&C have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to RP&C.

Item 16. Investment Discretion

RP&C is generally provided with the authority to exercise discretion on behalf of clients. RP&C is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. RP&C is given this authority through a power-of-attorney included in the agreement between RP&C and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). RP&C takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

Item 17. Voting Client Securities

RP&C is required to disclose if it accepts authority to vote client securities. RP&C does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

RP&C does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of providing clients with advisory services. In addition, RP&C is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. RP&C has no disclosures pursuant to this Item

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