

## Item 1. Cover Page

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**RYAN FINANCIAL ADVISORS, INC.  
Form ADV Part 2A  
Investment Adviser Brochure**

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March 2017

This brochure provides information about the qualifications and business practices of Ryan Financial Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 978-475-1500 or [heatherg@ryanfinancial.com](mailto:heatherg@ryanfinancial.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 Ryan Financial Advisors, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this site using a unique identifying number, known as a CRD number, Ryan Financial Advisors, Inc.'s CRD Number is 106834.

## Item 2. Summary of Material Changes

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In this Item of Ryan Financial Advisors, Inc.'s (Ryan Financial or the Firm) Form ADV 2, the Firm is required to discuss any material changes that have been made to Form ADV since the last Annual Amendment, dated March 23, 2016.

Since the last ADV Annual Amendment filing, the Firm has the following material changes to report:

- The Firm has updated its fee schedule. Please see Item 5, Fees and Compensation for more details.
- The Firm has added information regarding the risk of short selling. Please see Item 8, Methods of Analysis, Investment Strategies and Risk of Loss
- The Firm has entered into a client referral program. Please see Item 14, Client Referrals and Other Compensation for further details.

Ryan Financial's Form ADV may be requested at any time, without charge by contacting Heather Ryan Girolamo, Vice President at 978.475.1500 or [heatherg@ryanfinancial.com](mailto:heatherg@ryanfinancial.com).

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## **Item 4: Advisory Business**

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Ryan Financial Advisors, Inc. (Ryan Financial, us, we, our) was established in 1989. We are an independent, owner-managed firm that provides highly customized wealth management to individuals, families and trusts. Ryan Financial is a family company. All principals and owners of our firm are members of the Ryan family spanning two generations. William T. Ryan, President and CEO, is the principal owner of the firm.

Ryan Financial's mission is to provide the highest level of professional services to a limited number of discerning clients.

### **Wealth Management Advisory Services:**

As part of our wealth management advisory services, we provide the following:

**Asset Allocation Recommendation, Ongoing Portfolio Management and Reviews:** Ryan Financial makes recommendations concerning appropriate allocation of assets among different investment categories. Because we are an independent firm and do not have our own products, we are free to choose the very best managers in each investment category. We monitor our clients' portfolios on an ongoing basis and make changes to the portfolio when indicated. We meet with our clients to discuss their portfolio, to educate them on market and economic news and trends, and to discuss any changes that may have occurred in their life that might affect their portfolio.

### **Purchase of Securities and Record Keeping/Consolidated Reporting:**

Ryan Financial buys and sells securities for our clients. We record all purchases, sales, dividends, interest, and capital gains for tax accounting purposes. We maintain account balances that are priced every day. We create consolidated reports for our clients which show all of the assets that we manage for them. Each client's entire net worth can be viewed on one statement.

**Financial Planning Services:**

Ryan Financial offers financial planning services, which may include a review of all aspects of a client's current financial situation, including the following components: cash management, risk management, insurance, education funding, goal setting, retirement planning, estate and charitable giving planning, tax planning, and capital needs planning. Financial planning will be offered as a component of the overall wealth management advisory services.

Ryan Financial meets with the client to review risk tolerance, financial goals and objectives, and time horizons. Additional meetings may include a review of additional financial information; sources of income, assets owned, existing insurance, liabilities, wills, trusts, business agreements, tax returns, investments, and personal and family obligations.

The financial plan may include both long and short-term considerations, depending upon the individual scenario. Upon completion a plan is presented to the client. At this meeting, the client is provided with recommendations that are deemed to be compatible with the client's stated goals and objectives.

Ryan Financial does not charge a separate fee for financial planning services.

**Pension Plan and 401(k) Services:**

Pension Plan and 401(k) services include evaluation of existing plan, fixed risk-based model portfolios, ongoing consulting and performance analysis, educational sessions for plan participants, and the "doctor is in" sessions.

**Highly Customized Portfolio Construction and Management:**

Ryan Financial tailors the management of each of our client's portfolios. Because each client's financial situation, needs, time horizon, and risk tolerance are different, we customize each portfolio to meet the needs of that client. While Ryan Financial manages our clients' portfolios on a discretionary basis, clients may impose restrictions on investing in certain securities or types of securities. Client input and feedback is an important element in our portfolio management.

### **Wrap Fee Programs**

Ryan Financial does not participate in a Wrap Fee Program.

### **Client Assets**

As of December 31, 2016 Ryan Financial managed approximately \$173,057,601.96 in assets under management. All assets are managed on a discretionary basis.

## **Item 5: Fees and Compensation**

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### **Compensation - Wealth Management Advisory Services:**

Fees are billed quarterly in arrears.

The current annual Wealth Management Advisory Fee schedule is as follows:

Account Size		Annual
\$ -	\$ 50,000.00	2.00%
\$ 50,001.00	\$ 100,000.00	1.75%
\$ 100,001.00	\$ 500,000.00	1.25%
\$ 500,001.00	\$ 999,999,999.99	1.00%

We have the ability to purchase individual equities and Exchange Traded Funds, no load or load-waived mutual funds, and corporate, municipal and government bonds for these accounts. Any trading costs associated with wealth management advisory services are paid by the client; however, these costs are merely intended to cover Ryan Financial's costs and are not revenue generating events for Ryan Financial. If the purchase of an annuity is suitable for a client, Ryan Financial will receive a commission from the product sponsor. In addition to or partially in lieu of this commission, Ryan Financial may receive a marketing allowance from the product sponsor.

Wealth management advisory services include investment management, performance reviews, consolidated reporting, and financial and educational planning.

## **Compensation - Financial Planning Services**

As noted above, Ryan Financial does not charge a separate fee for financial planning services.

**Compensation - Pension Plan and 401(k) Services** The annual percentage fee for pension plans and 401(k) services will be quoted fixed, but will be reviewable upon the client's request no more than annually. The current annual fee schedule for pension plans and 401(k) services is as follows:

Account Size		Annual
\$ -	\$ 500,000.00	1.25%
\$ 500,000.01	\$ 1,000,000.00	1.00%
\$ 1,000,000.01	\$ 5,000,000.00	0.50%
\$ 5,000,000.01	\$ 999,999,999.99	0.25%

## **Calculation and Payment**

Fees for wealth management advisory services are deducted from client assets, quarterly in arrears. For example, a client will be billed for any given calendar year based upon the value of the portfolio on March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup> and December 31<sup>st</sup> for the work that was performed by Ryan Financial for the three months preceding each of these dates. In some situations, clients may choose to pay management fees directly by check.

## **Agreement Terms**

Since investment management fees are not paid in advance but paid in arrears, Ryan Financial does not have a "refund policy" for management fees. However, either the client or Ryan Financial may terminate our relationship by written notice to the other at any time. If a client decides to leave our firm, the balance of unpaid fees will be billed to the client. If the relationship is terminated before the end of a calendar quarter, the fee will be "prorated" to cover the time during the quarter that the client's assets were managed by Ryan Financial.

## **General Information on Compensation and Other Fees**

Related accounts will be aggregated for purposes of fee calculation.

In certain situations, the extent of repositioning and the types of investments utilized may warrant a customized fee structure. In some cases, fees may be negotiable.

In certain circumstances, fees, account minimums and payment terms are negotiable depending on client's unique situation - such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation.

Ryan Financial's fees are exclusive of transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians and other third parties such as fees charged by managers, 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 funds 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 Ryan Financial's fee.

All fees paid to Ryan Financial for investment advisory services are separate and distinct from any fees and expenses charged by mutual funds, ETFs, and variable annuity sub-accounts to their shareholders. These fees and expenses are described in each fund's or sub account's prospectus. These fees will generally include a management fee, other expenses, and a possible distribution fee.

## **Item 6- Performance-Based Fees and Side-by-Side Management**

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Ryan Financial does not have any performance-based fee arrangements. "Side by Side Management" refers to a situation in which the same firm manages accounts that are billed based on a percentage of assets under management and at the same time manages other



accounts for which fees are assessed on a performance fee basis. Because Ryan Financial has no performance-based fee accounts, it has no side-by-side management.

## **Item 7-Types of Clients**

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Ryan Financial manages assets for individuals, high net worth individuals, families, trusts, pension and profit sharing plans, and charitable organizations.

Ryan Financial does not require a minimum account size.

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

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While each of our clients has a unique set of objectives, our goal for all of them is to obtain above-average returns consistent with the preservation of principal. Experienced investors have long known that focusing on investment return, without due consideration for risk, involves potentially excessive losses. At Ryan Financial, our investment philosophy is keyed to the principal of active, risk-aware management.

### **Methods of Analysis and Investment Strategies**

As investors we believe that, over time, a diversified portfolio is the most prudent path to follow in building a client's wealth at a rate that is above and beyond the rate of inflation and taxes, while minimizing portfolio volatility.

There are times to be more heavily weighted in foreign securities vs. domestic securities, large companies vs. small, cyclical stocks vs. growth stocks, etc. Pursuant to our investment philosophy, we manage our clients' portfolios according to one of our six proprietary asset allocation models, designed to achieve an appropriate risk-adjusted return based upon a client's individual goals, time horizon and tolerance for risk.

The five model allocations consist of Conservative, Moderately Conservative, Moderate, Moderately Aggressive, and Aggressive. Each model allocates investments to the various asset classes based upon a percentage of total assets. We regularly evaluate the appropriate allocations in light of current and predicted future conditions, rebalancing as needed.

### **Risk of Loss**

Investing in securities involves risk of loss that clients should be prepared to bear. This risk is prudently managed according to each individual client's risk tolerance, goals and time horizon, however, there can be no guarantee that our efforts will be successful. The investor should be prepared to bear the following investment risks of loss:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Short Sale Risk:** Short selling involves selling securities that may or may not be owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in market prices to the extent such decline exceeds the transaction costs and the costs of borrowing the securities. A short sale creates the risk of a theoretically unlimited loss, in that the price of the underlying security could theoretically increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the securities necessary to cover a short position will be available for purchase. Purchasing securities to close out the short position can itself cause the price of the securities to rise further, thereby exacerbating the loss.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

- **Inflation Risk:** When any type of inflation is present, a dollar next year will not buy as much as a dollar today, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties (i.e. Non-traded REITs and other alternative investments) are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## Item 9-Disciplinary Information

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Registered investment advisers are required to disclose all pertinent facts regarding any legal or disciplinary events that would be material to your evaluation of Ryan Financial or the integrity of Ryan Financial's management. There are no material, legal or disciplinary events to disclose under this item.

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## **Item 10-Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

Ryan Financial is not registered and does not have an application pending as a securities broker-dealer, futures commission merchant, commodity pool operator or commodity trading advisor.

Ryan Financial has a related person who is registered as a broker/dealer firm - Ryan Financial, Inc., an affiliated firm of Ryan Financial Advisors, Inc. Ryan Financial, Inc. is a member of the Financial Industry Regulatory Authority (FINRA).

### **Broker-Dealer Registered Representatives**

William T. Ryan, Tara Ryan McDermott, Heather Ryan Girolamo and William Kent Ryan are registered representatives of Ryan Financial, Inc.

Ryan Financial Advisors, Inc. is solely responsible for investment advice rendered to clients.

Ryan Financial, Inc. may, in some cases, receive trailing fees from certain mutual fund companies. If any commission compensation is earned by Ryan Financial, Inc., it is in addition to any specified fees.

### **Insurance Company or Agency**

Ryan Financial Insurance Agency, Inc. is an affiliated company of Ryan Financial Advisors, Inc.

Investment Adviser Representatives (IARs) of Ryan Financial may be licensed insurance agents or brokers with Ryan Financial Insurance Agency. They may earn separate compensation for transactions implemented through Ryan Financial Insurance Agency. Clients are not obligated to Ryan Financial Insurance Company for insurance product purchases, and may work with any insurance agent they choose. Insurance compensation will be separate and distinct from investment advisory fees charged by Ryan Financial.

### **Other Investment Advisors**

Ryan Financial does not recommend or select other investment advisors for its clients.

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

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Ryan Financial has adopted a Code of Ethics for our firm pursuant to SEC Rule 204A-1. This Code of Ethics is based on the principle that all employees of Ryan Financial and certain other persons have a fiduciary duty to place the interest of clients ahead of their own interests and those of Ryan Financial as a firm. Our Code of Ethics, among other things, states that employees and certain other persons must avoid activities, interests, and relationships that might interfere with making decisions that are in the best interest of Ryan Financial's clients. The Code's key provisions include:

- Statement of General Principles
- Policy on and reporting of Personal Securities Transactions
- A prohibition on Insider Trading
- Restrictions on the acceptance of significant gifts
- Procedures to detect and deter misconduct and violations
- Requirement to maintain confidentiality of client information

Ryan Financial's employees must acknowledge the terms of the Code of Ethics at least annually. Any individual not in compliance with the Code of Ethics may be subject to termination. Ryan Financial will provide a copy of our Code of Ethics to any client or prospective client upon request.

### **Participation or Interest in Client Transactions - Personal Securities Transactions**

Ryan Financial and its employees may buy or sell securities identical to those recommended to clients for their personal accounts. The Code of Ethics, described above, is designed to assure that the personal securities transactions, activities and interests of the employees of Ryan Financial will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities, primarily mutual funds, have been designated as exempt transactions, based upon a determination that these

would materially not interfere with the best interest of Ryan Financial's clients. In addition, the Code requires pre-clearance of many transactions. Nonetheless, because the Code of Ethics in some circumstances would permit 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 continually monitored under the Code of Ethics, and designed to reasonably prevent conflicts of interest between Ryan Financial and its clients.

#### **Participation or Interest in Client Transactions – Financial Interest and Principal/Agency Cross**

Neither Ryan Financial nor its employees do not recommend to clients, or buy or sell for client accounts, securities in which they have a material financial interest.

It is Ryan Financial's policy that the Firm will not affect any principal or agency cross securities transactions for client accounts. Ryan Financial will also not cross trades between client accounts.

## **Item 12-Brokerage Practices**

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#### **Research and Other Soft Dollars Benefits**

Ryan Financial does not engage in any "soft dollar" or "directed brokerage" practices. Soft dollar and directed brokerage practices involve directing trades to certain brokerage firms in exchange for research or other services provided by the brokerage firm. This creates an incentive on the part of the advisory firm to select or recommend a broker-dealer based on the advisory firms' interest in the research or other products, rather than on the clients' interest in receiving what is called "best execution" or the most favorable execution (price) on a trade. Ryan Financial has never and does not engage in this practice.

#### **Brokerage for Client Referrals**

Ryan Financial does not receive client referrals from broker/dealers.

As disclosed in Item 10, Ryan Financial Advisors, Inc. effects securities transactions through Ryan Financial, Inc., a broker/dealer firm and member of the Financial Industry Regulatory Authority (FINRA). Ryan Financial, Inc. is an affiliated firm of Ryan Financial Advisors, Inc.

Directed Brokerage Ryan Financial does not engage in this practice and we do not allow clients to direct brokerage as it may cost the client more money and they may not obtain the best execution.

### **Trade Aggregation**

Trade aggregation is the act of trading a large block of a security in a single order. Shares of a purchased security are then allocated to the appropriate accounts in the appropriate proportion. The main purposes of order aggregation are (i) for ease of trading and (ii) to obtain a lower transaction cost associated with trading a larger quantity. Ryan Financial, may direct Fidelity to perform a block trade when rebalancing portfolios. The allocation of these trades seeks to be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

## **Item 13-Review of Accounts**

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### **Reviews**

Ryan Financial manages our clients' accounts on an ongoing basis. We regularly review our client portfolios. Each client is assigned a "client relationship manager" who is responsible for the day to day management of the clients' portfolio and the relationship between the client and Ryan Financial. The Client Relationship Managers are all Registered Representatives of Ryan Financial, Inc., an affiliated firm of Ryan Financial Advisors, Inc., as described above in Item 10.

### **Review Triggers**

Other conditions that may trigger a review are changes in market, political or economic conditions, tax laws, new investment information, and changes in a client's own situation.

## **Reports**

Raymond James & Associates and Fidelity Investments, (see Item 15 below) send quarterly, written reports to our clients and send reports showing transactions that have taken place in the portfolio.

## **Item 14-Client Referrals and Other Compensation**

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### **Other Compensation**

Ryan Financial does not engage in any sales award or other contests and receives no economic benefit from any of these types of practices.

### **Compensation - Client Referrals**

If you become a client by way of introduction from an unaffiliated or an affiliated solicitor we may pay that solicitor a fee. This fee will be paid following the requirements of Rule 206(4)-3 of the Investment Advisors Act of 1940, and any corresponding state securities law requirements. Any fees paid will come from our investment advisory fees only, and will not result in any additional charge to you above what you would pay had you not been introduced to us through a solicitor. The solicitor must disclose to you the nature of his/her/its solicitor relationship and must also provide you with a copy of our written Brochure as well as a copy of the disclosure statement which outlines the nature of the relationship between the solicitor and our firm as well as the financial compensation to be paid by our firm to the solicitor.

LSG Investment Group is a DBA of Ryan Financial Advisors, Inc.



## **Item 15-Custody**

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Ryan Financial does not maintain "custody" of our clients' assets. Raymond James & Associates and Fidelity Investments are two firms that we use as qualified custodians. Ryan Financial is an independent firm and is in no way owned, controlled or affiliated with either of these firms. Ryan Financial uses these firms as a service provider.

Clients authorize Ryan Financial (in the client agreement) to debit fees directly from the client's account at the qualified custodian (custodian). Client investment assets will be held with a custodian agreed upon by the client and Ryan Financial. The custodian is advised in writing of the limitation of Ryan Financial's access to the account. The custodian sends a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Ryan Financial.

Ryan Financial is deemed to have custody over certain client assets in the form of having login credentials for 401(k) accounts only for those clients who choose to give us that privilege.

While this form of custody gives Ryan Financial access to client funds and securities, Ryan Financial has stringent internal controls and procedures over the custody function. In addition, Ryan Financial complies with the SEC's Custody Rule, which requires an annual surprise examination conducted by an independent accountant.

As described above and in Item 13, clients receive at least quarterly statements from the qualified custodian that holds and maintains client's investment assets.

## **Item 16-Investment Discretion**

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Ryan Financial's clients give us discretion to manage their investment portfolios. This means that we are given permission by our clients to make changes to their portfolios without having

to get the client's permission each time we want to make a change. With that said, Ryan Financial meets with our clients regularly and changes that we suggest making to the portfolio are discussed at those meetings and reviewed with the client at that time.

Before Ryan Financial assumes discretion of a client account, the client signs a Discretionary Authority Form that describes what discretionary authority is and gives our firm permission to act on the client's behalf if and when necessary.

If Ryan Financial has not been given discretionary authority, Ryan Financial consults with the client prior to each trade.

## **Item 17-Voting Client Securities**

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Ryan Financial does not vote client securities for our clients. As an example, this situation may arise if a particular security is soliciting proxy votes to gain shareholder approval of a particular matter. If our clients wish to vote on any matter related to securities held in their portfolio, they do so on their own. Proxy statements and any other voting materials are mailed directly to clients from the firm that holds (custodies) their accounts. If our clients have questions related to a proxy or any other solicitation, they may call us directly at 978-475-1500.

## **Item 18-Financial Information**

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Ryan Financial has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Ryan Financial does not require prepayment of fees of both more than \$1,200 per client, and more than six months in advance; and therefore is not required to provide a balance sheet to clients.