

# Ryan Wealth Management, Inc.



## Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

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This wrap fee program brochure provides information about the qualifications and business practices of Ryan Wealth Management, Inc. If you have any questions about the contents of this brochure, please contact us at the telephone number or email address listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Ryan Wealth Management, Inc. is a registered investment adviser, but registration does not imply a certain level of skill or training.

Additional information about Ryan Wealth Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) and by searching for CRD# 296851.

## Item 2: Material Changes

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In this Item, Ryan Wealth Management, Inc. is required to identify and discuss material changes since the last annual updating amendment to this brochure. Since the date the last annual updating amendment was filed on March 27, 2023, Ryan Wealth Management, Inc. has no material changes to report.

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## Item 4: Services, Fees and Compensation

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- A. Ryan Wealth Management, Inc. (referred to herein as “Adviser”) offers the following types of advisory services through a wrap fee program. However, it should be noted that Adviser’s wrap fee program is not available to new clients, and has been established solely to accommodate clients that have transitioned to Adviser as a result of an acquisition.

### Services

- i. Discretionary & Non-Discretionary Investment Management: Adviser provides ongoing non-discretionary and discretionary investment management services to its clients based upon each client’s current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients’ account(s). Adviser generally recommends that clients fulfill their investment objectives by allocating their assets across a diversified risk-based portfolio of no-load mutual funds and exchange traded funds (“ETFs”). This portfolio is rebalanced periodically to remain in-line with the client’s agreed-upon asset allocation, though the asset allocation may be changed from time to time based on changes to a client’s specific situation. Adviser typically provides investment advice with respect to limited types of investments, which generally include no-load mutual funds and ETFs.

With respect to its wrap fee program, such services are provided through the “Vision2020 Wealth Management Platform – Model Portfolios Program” through Royal Alliance Associates, Inc. (“Royal”). The Wealth Management Platform - Model Portfolios Program (“Model Program”) offers clients managed asset allocation models (“Asset Allocation Models”) of mutual funds, ETFs, or a combination thereof, diversified across various investment styles and strategies. The Asset Allocation Models are constructed by managers (“Program Managers”) such as Russell Investment Management Company and Morningstar Associates, LLC.

Based upon each client’s risk tolerance, the Model Program utilizes a system that selects a specific Asset Allocation Model. After the Asset Allocation Model is chosen, Adviser, with the assistance of the Model Program sponsor, will open a Model Program account. Each client’s assets will be invested in the specific investments contained within the recommended Asset Allocation Model. Clients have the opportunity to place reasonable restrictions on investments held within the Model Program account.

- ii. Financial Planning: For clients that do not wish to engage Adviser for ongoing non-discretionary investment management services, Adviser alternatively offers to provide a one-time financial plan that clients will be responsible for implementing at their discretion. The one-time financial plan will typically include analyses and recommendations with respect to retirement planning, investment consulting, tax mitigation strategies, estate planning, wealth protection, and charitable gifting strategies (among other related topics). A conflict of interest exists with respect to financial planning services to the extent the financial plan recommends that the client engage Adviser for Investment Management services, or the purchase of a securities or insurance product from the investment adviser representatives of Adviser (as discussed further below). Financial Planning clients are advised that they are under no obligation to act upon Adviser’s Financial Planning analyses or recommendations, and if a Financial Planning client elects to act on any such analyses or recommendations, he or she is under no obligation to effect the transaction through Adviser or any of its investment adviser representatives.

## Fees and Compensation

Adviser is compensated for its advisory services primarily by fees charged based on a client's assets under management with Adviser. Fees are negotiable, and each client's specific fee schedule is included as part of the investment advisory agreement signed by Adviser and the client.

Adviser's annual fee for investment management ranges between 0.60% and 1.50% of the client's assets under Adviser's management, and depends on the specific services rendered. The investment management fee is inclusive of transaction charges that would otherwise be charged directly to clients directly by Pershing, the broker-dealer that Adviser recommends to clients as further described below; Adviser pays such transaction charges on behalf of clients as part of its wrap fee program.

Fees are deducted in advance on a quarterly basis from clients' assets and based upon the market value of such assets managed by Adviser as of the last day of the prior calendar quarter.

Though Clients will not pay transaction charges, they will still generally incur fees and expenses charged by the funds selected for or recommended to Clients (a mutual fund's or ETF's internal expense ratio, e.g.). These additional charges are separate and apart from the fees charged by Adviser.

If Adviser or client terminates the advisory agreement before the end of a quarterly billing period, Adviser's fees will be prorated through the effective date of the termination. The pro rata fees earned for the remainder of the quarterly billing period after the termination will be refunded to client via check or direct deposit.

- B. The wrap fee program offered by Adviser may cost a client more or less than purchasing such investment management services separately through a non-wrap account, depending on the volume of trading and the size of the client's account. In general, a wrap fee program can be comparatively less expensive for actively traded accounts; conversely, non-wrap fee programs can be comparatively less expensive for accounts in which there is minimal trading activity.
- C. Though wrap fees are inclusive of brokerage commissions and transaction fees, they are exclusive of other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual fund and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the wrap fee, and we shall not receive any portion of these commissions, fees, and costs.
- D. Adviser and its investment adviser representatives will receive compensation from the client as described above. This compensation may be more or less than if the client engaged Adviser or an alternative investment adviser to manage his or her account(s) through a non-wrap fee program in which brokerage and transaction fees are paid separately by clients. Therefore, Adviser and its investment adviser representatives have an incentive to recommend its wrap fee program to clients. However, as stated above, Adviser's wrap fee program is not available to new clients of the firm and has been established solely to accommodate clients that have transitioned to Adviser as a result of an acquisition.

## Item 5: Account Requirements and Types of Clients

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Adviser generally provides its services to individuals, high-net-worth individuals, trusts, estates, business entities, charitable organizations and pension and profit sharing plans. The minimum account value recommended to open an account with Adviser is \$500,000, subject to negotiation.

## Item 6: Portfolio Manager Selection and Evaluation

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- A. Adviser tailors its advisory services to the individual needs of its clients by taking the time to understand clients' current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients' account(s). This information will then be used to make investment decisions or recommendations that reflect clients' individual needs and objectives on an initial and ongoing basis. Adviser's investment decisions and recommendations will allocate portions of clients' account(s) to various asset classes classified according to historical and projected risks and rates of return. For non-discretionary accounts, Adviser will review all such recommendations with clients, and clients will have the opportunity to accept or reject any recommendations; such clients are under no obligation to accept or implement any recommendation made by Adviser. For discretionary accounts, Adviser is granted a limited power of attorney in the investment advisory agreement signed by the client so that Adviser can make investment decisions and buy and sell securities in the client's account(s). Clients may impose restrictions on investing in certain securities or types of securities so long as such restrictions may reasonably be implemented by Adviser.
- B. The investment strategies used by Adviser when formulating investment advice or managing assets include the use of model portfolios that incorporate risk profiling, due diligence, institutional asset allocation, money manager selection, and investment policy development. The investment process first develops capital market assumptions (employing forward-looking risk, return and correlation assumptions based on economic data and market fundamentals), then determines asset allocations (depending on the risk profile of the particular client), makes investment selections (typically utilizing mutual funds and/or ETFs), and continually monitors performance to goals on an ongoing basis. Adviser typically utilizes model portfolios comprised of mutual funds and/or ETFs that are internally constructed and maintained.

Investing in securities involves risk of loss that clients should be prepared to bear. Past performance does not guarantee future returns.

Like any investment strategy, utilizing asset allocation through the use of mutual fund or ETF model portfolios involves material risks. Such material risks are described in further detail below:

- i. Investing for the long term means that a client's account will be exposed to short-term fluctuations in the market and the behavioral impulse to make trading decisions based on such short-term market fluctuations. Adviser does not condone short-term trading in an attempt to "time" the market, and instead coaches clients to remain committed to their financial goals. However, investing for the long term can expose clients to risks borne out of changes to interest rates, inflation, general economic conditions, market cycles, geopolitical shifts, and regulatory changes.
- ii. Investing in mutual funds does not guarantee a return on investment, and shareholders of a mutual fund may lose the principal that they've invested into a particular mutual fund. Mutual funds invest into underlying securities that comprise the mutual fund, and as such clients are exposed to the risks arising from such underlying securities. Mutual funds charge internal expenses to their shareholders (which can include management fees, administration fees, shareholder servicing fees, sales loads, redemption fees, and other fund fees and expenses, e.g.), and such internal expenses subtract from its potential for market appreciation. Shares of mutual funds may only be traded at their stated net asset value ("NAV"), calculated at the end of each day upon the market's close.

Investing in ETFs bears similar risks and incurs similar costs to investing mutual funds as described above. However, shares of an ETF may be traded like stocks on the open market and are not redeemable at an NAV. As such, the value of an ETF may fluctuate

throughout the day and investors will be subject to the cost associated with the bid-ask spread (the difference between the price a buyer is willing to pay (bid) for an ETF and the seller's offering (asking) price).

Clients are encouraged to carefully read the prospectus of any mutual fund or ETF to be purchased for investment to obtain a full understanding of its respective risks and costs.

- C. Adviser does not have and will not accept authority to vote client securities. Clients will receive their proxies or other solicitations directly from their broker-dealer or a transfer agent, as applicable, and should direct any inquiries regarding such proxies or other solicitations directly to the sender.

Neither Adviser nor any of its supervised persons accepts performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).



## Item 7: Client Information Provided to Portfolio Managers

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The information that Adviser collects as part of its initial evaluation of a client's current financial condition, goals, risk tolerance, income, liquidity requirements, investment time horizon, and other information that is relevant to the management of clients' account(s) is used to develop a client's personal investment policy or an investment plan with an asset allocation target and create and manage a portfolio based on that policy and allocation target

## Item 8: Client Contact with Portfolio Managers

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There are no restrictions placed on clients' ability to contact and consult with Adviser as their portfolio manager.

## Item 9: Additional Information

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### Disciplinary Information

- A. There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of Adviser's advisory business or the integrity of Adviser's management.

### Other Financial Industry Activities and Affiliations

Robert Ryan, Justin T. Burrow, Kevin Spafford, and Ron Catton ("the IARs") are licensed insurance agents and from time to time will earn an ordinary and customary commission from the sale of an insurance product in such capacity. This creates a conflict of interest, because the IARs have the potential to earn both an insurance commission and advisory fee revenue from a client. The IARs address this potential conflict of interest by fully disclosing their relationship with the applicable insurance provider, and informing clients that they are under no obligation to purchase an insurance product through them.

Neither Adviser nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Neither Adviser nor any of its management persons have any relationship or arrangement with any related person that is material to its advisory business.

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

- B. Adviser has adopted a code of ethics that will be provided to any client or prospective client upon request. Adviser's code of ethics describes the standards of business conduct that Adviser requires of its supervised persons, which is reflective of Adviser's fiduciary obligations to act in the best interests of its clients. The code of ethics also includes sections related to compliance with securities laws, reporting of personal securities transactions and holdings, reporting of violations of the code of ethics to Adviser's Chief Compliance Officer, pre-approval of certain investments by access persons, and the distribution of the code of ethics and any amendments to all supervised persons followed by a written acknowledgement of their receipt.

Neither Adviser nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Adviser or any of its related persons has a material financial interest.

From time to time, Adviser or its related persons will invest in the same securities (or related securities such as warrants, options or futures) that Adviser or a related person recommends to clients. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to profit from the investment recommendations made to clients. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

From time to time, Adviser or its related persons will buy or sell securities for client accounts at or about the same time that Adviser or a related person buys or sells the same securities for its own (or the related person's own) account. This has the potential to create a conflict of interest because it affords Adviser or its related persons the opportunity to trade either before or after the trade is made in client accounts, and profit as a result. Adviser's policies and procedures and code of ethics address this potential conflict of interest by prohibiting such trading by Adviser or its related persons if it would be to the detriment of any client and by monitoring for compliance

through the reporting and review of personal securities transactions. In all instances Adviser will act in the best interests of its clients.

#### Review of Accounts

Robert Ryan monitors client accounts on an ongoing basis, and typically reviews client accounts at least annually, but in nearly all instances semi-annually. Such reviews are designed to ensure that the client is still on track to achieve his or her financial goals, and that the investments remain appropriate given the client's risk tolerance, investment objectives, major life events, and other factors. Clients are encouraged to proactively reach out to Adviser to discuss any changes to their personal or financial situation.

Other factors that may trigger a review include, but are not limited to, material developments in market conditions, material geopolitical events, and changes to a client's personal or financial situation (the birth of a child, preparing for a home purchase, plans to attend higher education, a job transition, impending retirement, death or disability among family members, etc.).

The broker-dealer for client's account will send account statements and reports directly to clients no less frequently than quarterly. Such statements and reports will be mailed to clients at their address of record or delivered electronically, depending on the client's election.

#### Client Referrals and Other Compensation

Nobody other than clients provides an economic benefit to Adviser for providing investment advice or other advisory services to clients. However, as described above in "Brokerage Practices," below, the broker-dealer recommended for client accounts provides certain products and services that are intended to directly benefit Adviser, clients, or both. Neither Adviser nor a related person directly or indirectly compensates a person who is not Adviser's supervised person for client referrals.

#### Financial Information

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

#### Brokerage Practices

Adviser considers several factors when recommending a broker-dealer for client transactions and determining the reasonableness of such broker-dealer's compensation. Such factors include the broker-dealer's industry reputation and financial stability, service quality and responsiveness, execution price, speed and accuracy, reporting abilities, and general expertise. Assessing these factors as a whole allows Adviser to fulfill its duty to seek best execution for its clients' securities transactions. However, Adviser does not guarantee that the broker-dealer recommended for client transactions will necessarily provide the best possible price, as price is not the sole factor considered when seeking best execution. After considering the factors above, Adviser recommends Pershing as the broker-dealers for client accounts.

Adviser does not consider, in selecting or recommending broker-dealers, whether Adviser or a related person receives client referrals from a broker-dealer or third-party.

Adviser does not routinely recommend, request, or require that a client direct Adviser to execute transactions through a specified broker-dealer other than Pershing.

Adviser does not aggregate the purchase or sale of securities for client accounts.

## Custody

For clients that do not have their fees deducted directly from their account(s) and have not provided Adviser with any standing letters of authorization to distribute funds from their account(s), Adviser will not have any custody of client funds or securities. For clients that have their fees deducted directly from their account(s) or that have provided Adviser with discretion as to amount and timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s), Adviser will typically be deemed to have limited custody over such clients' funds or securities pursuant to the SEC's custody rule and subsequent guidance thereto. At no time will Adviser accept full custody of client funds or securities in the capacity of a custodial broker-dealer, and at all times client accounts will be held by a third-party qualified custodian as described in Item 12, above. Currently, there are no clients that have provided Adviser with discretion as to the amount or timing of disbursements pursuant to a standing letter of authorization to disburse funds from their account(s). Thus, the sole reason Adviser is deemed to have custody is by virtue of Adviser's ability to deduct its fees from clients' accounts.

Adviser has obtained written authorization from each client in the investment management agreement to deduct Investment Management fees from the account held by the third-party qualified custodian. Each time the Investment Management Fee is deducted from a client account, Adviser concurrently (1) sends the third-party qualified custodian an invoice or statement of the amount of the Investment Management fee to be deducted from the client's account, and (2) sends the client an invoice or statement itemizing the Investment Management fee. Itemization includes the formula used to calculate the Investment Management fee, the value of the assets under management on which the Investment Management fee is based, and the time period covered by the Investment Management fee. The third-party qualified custodian sends quarterly statements to clients showing all disbursements from the client's account(s), including the amount of Investment Management fees.

If a client receives account statements from both the custodial broker-dealer and Adviser or a third-party report provider, client is urged to compare such account statements and advise Adviser of any discrepancies between them.