

# Ryan ALM Advisers, LLC

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## Offices at:

60 East 42<sup>nd</sup> Street – Suite 2515, NY, NY 10165  
(212-922-1009)

800 Village Square Crossing – Suite 215, Palm Beach Gardens, FL 33410  
(561-656-2014)

Web site: [www.RyanALM.com](http://www.RyanALM.com)

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Contact Person: Ronald J. Ryan, CFA

[rryan@ryanalm.com](mailto:rryan@ryanalm.com)

561-307-5127

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## ADV Form Brochure

Dated March 10, 2011

This brochure provides information about the qualifications and business practices of Ryan ALM Advisers, LLC. If you have any questions about the contents of this brochure, please contact us at 212-922-1009x22 and/or [rryan@ryanalm.com](mailto:rryan@ryanalm.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 ALM Advisers, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2. Material Changes:**

**Our Florida address has new suite location (800 Village Square Crossing, Suite 215, Palm Beach Gardens, FL 33410) since our last updated ADV Form on April 16, 2010**



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#### Item 4. Advisory Business

A. Ryan ALM Advisers, LLC is a wholly-owned subsidiary of Ryan ALM, Inc.. We were incorporated on May 18, 2005. Our parent was incorporated on June 15, 2004. Ryan ALM Advisers, LLC was granted as a registered SEC investment advisor on September 15, 2005. We offer both full discretion and investment advisory products and services.

B. Our types of advisory services include:

**Full Discretion:** 1. **Liability Beta Portfolio** = Bonds managed vs. liabilities (Liability Index Fund) such that the bond portfolio matches and funds the liability benefit payment schedule. This provides the *Core* or low risk portfolio.

**Assets Under Management (AUM) = \$0**

**Advisory:** 1. **Non-discretion** = Investment advice based on a particular client objective (i.e. Defined Benefit or 401k pension clients). For defined benefit plans we advise on the appropriate Asset Allocation, bond Asset/Liability Management and Performance Measurement that enhances the Funded Ratio and reduces Contribution costs. For defined contribution plans (401k) we advise on each investment option (usually Mutual Funds) as to their appropriate risk/reward behavior, volatility, diversification, turnover and costs.

**Advisory Clients = \$167.5 million (6 clients as of 12/31/10)**

**Specialty:** Ryan ALM Inc. and its subsidiaries are well known for our Asset/Liability Management (ALM) philosophy, research, products and services. Indeed, this is how the company was named. Our Custom Liability Index product provided from our Index company (ALM Research Solutions, LLC) provides a turnkey system where we build Custom Liability Index for clients and manage the assets as Liability Index Funds. Our Newsletter and Research have been widely distributed since we started Ryan ALM.

C. The Ryan ALM Advisers services are tailored to the client objective(s). If it is a liability objective, we provide a Custom Liability Index from our index division (ALM Research Solutions, LLC). Clients may impose restrictions on investing in certain securities. Indeed, we will always be in harmony with the client investment policy and guidelines.

D. We do not participate in wrap fee programs.

E. We currently have \$167.5 million in non-discretionary with no discretionary assets.



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## Item 5. Fees and Compensation

A. Ryan ALM Fee Schedule is as follows:

### 1. Liability Beta Portfolio (full discretion Asset Management):

Assets < \$100 million	=	<b>15 bps on AUM</b>
\$100 million +	=	<b>10 bps</b>
\$250 million +	=	<b>5 bps</b>
Minimum Fee	=	<b>\$25,000</b>

Note: All fees are negotiable

All fees are based on ending market values

All fees are payable quarterly in arrears (as invoiced)

All fees are exclusive of brokers' commissions, custody and any other costs

### 2. Investment Advisory:

All fees are negotiable

All fees are based on the complexity and size of the assets.

Minimum Fee = \$20,000 per defined benefit or 401k client

All fees are payable quarterly in arrears based upon quarterly invoices

- B. Fees are billed to clients quarterly in arrears.
- C. Clients must hire their own custody. Clients will pay for any B/D transaction costs.
- D. Clients pay our fees quarterly in arrears. Terminated accounts are billed only for period fees are earned.
- E. No one at Ryan ALM Advisers accepts compensation for the sale of securities to our clients.
  - 1. We will not recommend any product to our client for sales compensation.
  - 2. Clients have the option to buy investments that we recommend from any B/D.
  - 3. We have no sales commissions from any investments recommended to our clients.
  - 4. We do not charge any sales commissions or markups to our clients.



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## **Item 6. Performance Based Fees**

Currently, Ryan ALM Advisers does not charge a Performance Based fee. But since our fees are negotiable, we are willing to accept such a fee if it is in the best interests of our clients.

## **Item 7. Types of Clients**

Currently, Ryan ALM Advisers strictly services institutional clients with a focus on pension plans.

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

- A.** Ryan ALM Advisers investment strategy and mission is to provide an investment strategy that best fits our clients objectives. For pensions, our strategy is to provide investment advice that enhances the Funded Ratio and reduces the volatility and costs of Contributions. We feel this is best accomplished through a Liability Beta Portfolio (i.e. Liability Index Fund) that matches and funds liabilities. Such a portfolio is composed of Government zero-coupon bonds that match the amounts and dates of the actuarial projected benefit payment schedules. Usually this requires a Custom Liability Index be installed as the proper benchmark to manage such asset. We believe this is the lowest risk portfolio a client can have but will perform equal to liabilities. Early withdrawal before liability payment dates may incur an investment loss but not at maturity or liability payment date(s).
- B.** The Liability Beta Portfolio is the lowest risk portfolio a client can have but will perform equal to liabilities. Early withdrawal before liability payment dates may incur an investment loss but not at maturity or liability payment date(s).
- C.** The Liability Beta Portfolio is composed of Government zero-coupon bonds that match the amounts and dates of the actuarial projected benefit payment schedules. Such a portfolio is composed of Government zero-coupon bonds that match the amounts and dates of the actuarial projected benefit payment schedules. We believe this is the lowest risk portfolio a client can have but will perform equal to liabilities. Early withdrawal before liability payment dates may incur an investment loss but not at maturity or liability payment date(s). We believe this is the lowest risk portfolio a client can have but will perform equal to liabilities. Early withdrawal before liability payment dates may incur an investment loss but not at maturity or liability payment date(s).

## **Item 9. Disciplinary Information**



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Ryan ALM Advisers, LLC knows of no legal or disciplinary information taken against our firm or management person that should affect our clients including:

- A. Criminal or civil action in a domestic, foreign or military court.
- B. Proceedings before the SEC or any federal, state or foreign regulatory agency.
- C. Self-regulatory organization (SRO) proceedings

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

Ryan ALM Advisers, LLC has no contracts, agreements or relationships with any parties that should affect our clients including:

- A. Broker-dealers
- B. Futures commission merchant, commodity pool operator, commodity trading advisor
- C. We (including managerial persons) have no relationship or arrangement with:
  - 1. Broker-dealer
  - 2. Investment companies
  - 3. Other investment advisers
  - 4. Futures commission merchants, commodity pool operator, commodity trading advisor
  - 5. Banking or thrift institution
  - 6. Accountant or accounting firm
  - 7. Lawyer or law firm
  - 8. Insurance company
  - 9. Pension consultant
  - 10. Real estate broker or dealer
  - 11. Sponsor or syndicate of limited partnerships
- D. We have no compensation arrangements to recommend other investment advisers.

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

As an SEC-registered adviser, we adopted a code of ethics adopted pursuant to SEC rule 204A-

- A. We will provide a copy of our code of ethics to any *client* or prospective *client* upon request.
- B. Ryan ALM Advisers policy forbids recommending or buying securities for clients where the portfolio manager has a material financial interest.
- C. Ryan ALM Advisers policy forbids recommending or buying securities for clients where the portfolio manager has a material financial interest.
- D. Ryan ALM Advisers policy forbids recommending or buying securities for clients where the portfolio manager has a material financial interest.

#### **Item 12. Brokerage Practices**



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- A. Ryan ALM Advisers standard trading practice is to put several firms in competition and let the best price win. This best execution procedure should afford our clients consistent best execution and transparency. Usually we execute our trades through the Tradeweb system where we put firms in competition.
1. Since we perform our own research and have the Bloomberg system, we currently do not need any brokerage research.
- a. We do not use or pay for brokerage research.
  - b. We do not use or pay for brokerage research.
  - c. We do not use any soft dollar benefits. If, however, we ever cause *clients* to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), we will disclose this fact.
  - d. We do not use any soft dollar benefits.
  - e. We do not use any soft dollar benefits.
  - f. We do not use any soft dollar benefits.
2. Brokerage for Client Referrals.  
Ryan ALM Advisers standard trading practice is to put several firms in competition and let the best price win. This best execution procedure should afford our clients consistent best execution and transparency. Usually we execute our trades through the Tradeweb system.
- a. Ryan ALM Advisers does not recommend broker-dealers to our clients.
  - b. Ryan ALM Advisers does not recommend broker-dealers to our clients.
3. Directed Brokerage.
- a. Ryan ALM Advisers does not recommend, request or require directed trades to any broker-dealer. We have no conflicts of interests with any broker-dealer relationship. However, clients may require Ryan ALM Advisers to trade with certain broker-dealers who are on the client's approved list.
  - b. Clients may have an approved list of broker-dealer they require us to trade with. This is acceptable but we urge that we put them in competition to achieve best execution to save transaction costs.
- B. Given the same purchase or sale of securities we will aggregate them to create a round lot or larger order to save on execution costs.

### Item 13. Review of Accounts

- A. All client accounts have monthly reviews. If required, we will also make client visitations to explain our investment review.
- B. All client accounts have monthly reviews. If required, we will also make client visitations to explain our investment review.



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- C. Clients receive daily reports via a private proprietary internet delivery that is password protected.

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

- A. We will pay a finder's fee of 10% to approved representatives of Ryan ALM Advisers who have been trained on our products and culture. This fee is negotiable.
- B. We will pay a finder's fee of 10% to approved representatives of Ryan ALM Advisers who have been trained on our products and culture. This fee is negotiable and must comply with SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of *investment adviser representatives* where they apply. So far we have not paid a finder's fee.

#### **Item 15. *Custody***

Ryan ALM Advisers does not have custody of *client* funds or securities. We do not send clients account statements.

#### **Item 16. *Investment Discretion***

Ryan ALM Advisers does accept *discretionary authority* to manage securities accounts on behalf of clients and is disclosed clearly in our fee schedule and presentations to potential clients. Clients must accept the terms of our agreement which gives us this authority (e.g., execution of a power of attorney).

#### **Item 17. *Voting Client Securities***

- A. Ryan ALM Advisers only manages bonds which have no voting power. We do not accept authority to vote on behalf of our *client* securities.
- B. Ryan ALM Advisers only manages bonds which have no voting power. We do not accept authority to vote on behalf of our *client* securities nor do we welcome any solicitation from clients about securities we do not advise them on.

#### **Item 18. *Financial Information***

- A. Ryan ALM Adviser fees are payable quarterly in arrears.
- B. Ryan ALM Advisers does not know of any financial condition that is reasonably likely to impair your ability to meet contractual commitments to *clients*.



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C. Ryan ALM Advisers has not been the subject of a bankruptcy petition at any time during the past ten years.

**If you are registering or are registered with one or more *state securities authorities*, you must respond to the following additional Item.**

**Item 19. Requirements for State-Registered Advisers**

A. Identify each of your principal executive officers and *management persons*, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

**Ronald J. Ryan, CFA**

2005 – Today	<b>Ryan ALM Advisers, LLC</b> CEO, Founder <b>Asset/Liability Management</b> firm Core products include <b>Liability Index Funds</b> and <b>Liability Hedge Funds</b>
1988 - 2004	<b>Ryan Labs, Inc.</b> President, Founder Financial Lab with a focus on Indexes/Index Funds. Created 1 <sup>st</sup> Liability Index in 1991. One of the largest Enhanced Bond Index Fund managers in America.
1982 - 1988	<b>Ryan Financial Strategy Group</b> President / Founder Quantitative firm focused on helping bond managers beat Indexes. Created many unique financial models and index innovations (see Highlights).
1977 - 1982	<b>Lehman Bros. Kuhn Loeb</b> Director - Research & Strategy Chief strategist for fixed income. Designed many of the Lehman bond Indexes.
1973 - 1977	<b>First in Dallas</b> Head of Fixed Income Trust Department Largest trust department in the State of Texas.
1966 - 1973	<b>Pan-American Life Insurance</b> Security Analyst Largest institutional investor in the State of Louisiana
Academic	CFA MBA and BBA Loyola University
Highlights	1974 1st Municipal Bond Index



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1977-82 Designed **Lehman Bond Indexes** including:

1st Floater Index

Government/ Corporate Index

**Aggregate Index**

Over 40 Sector Indexes for 1<sup>st</sup> Baseline Portfolio System

1983 1st Cash Index

1983 **1st Daily Bond Index (Ryan Index)**

1984 1st Mortgage Index by Coupon Groups

1986 1st STRIPS Index (Ryan STRIPS Indexes)

1990 1st GIC Index

1991 **1st Liability Index**

2001 **Bernstein Fabozzi/Jacobs Levy Award (Research Paper of the Year)**

2001 Filed 1<sup>st</sup> Bond Exchange Traded Fund (FITRS)

2004 **1<sup>st</sup> Liability Hedge Fund (PALS)**

2005 **MML Lifetime Achievement Award**

2006 **William F. Sharpe Indexing Lifetime Achievement Award**

2007 **Most Innovative ETF Index Award (Capital Link)**

B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

Ryan ALM, Inc. has an Index Division (ALM Research Solutions, LLC) which would provide the index benchmark for our investment advisory effort. This division has a separate and dedicated staff with the exception of Ronald Ryan. We have one client here which takes about 1 hour of his time per month.

### **Form ADV: Part 2A Page 10**

C. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a *supervised person* are compensated for advisory services with *performance-based fees*, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the *client*.

Ryan ALM Advisers, LLC has no clients currently. Our fee schedule does not include performance based fees.

D. If you or a *management person* has been *involved* in one of the events listed below, disclose all material facts regarding the event.

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

(a) an investment or an *investment-related* business or activity;

Ryan ALM Advisers has not been involved in any arbitration claims.



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- (b) fraud, false statement(s), or omissions;  
Ryan ALM Advisers has not been involved in such cases
- (c) theft, embezzlement, or other wrongful taking of property;  
Ryan ALM Advisers has not been involved in such cases
- (d) bribery, forgery, counterfeiting, or extortion; or  
Ryan ALM Advisers has not been involved in such cases
- (e) dishonest, unfair, or unethical practices.  
Ryan ALM Advisers has not been involved in such cases

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;  
Ryan ALM Advisers has not been involved in such cases
- (b) fraud, false statement(s), or omissions;  
Ryan ALM Advisers has not been involved in such cases
- (c) theft, embezzlement, or other wrongful taking of property;  
Ryan ALM Advisers has not been involved in such cases
- (d) bribery, forgery, counterfeiting, or extortion; or  
Ryan ALM Advisers has not been involved in such cases
- (e) dishonest, unfair, or unethical practices.  
Ryan ALM Advisers has not been involved in such cases

E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A.

Ryan ALM Advisers, LLC has no relationship or arrangement with any issuer of securities.



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